Instructions for Form 1099-S

(Rev. December 2026)

Proceeds From Real Estate Transactions

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Form 1099-S and its instructions, such as legislation enacted after they were published, go to *IRS.gov/Form1099S*.

You can get Pub. 1099, General Instructions for Certain Information Returns, at *IRS.gov/Form1099GeneralInstructions*.

What's New

Digital assets. Beginning in tax year 2026, digital assets will be reported on Form 1099-S when used in the sale or exchange of real estate. These instructions provide guidance for reporting digital assets received in connection with the sale or exchange of real estate.

Reminders

In addition to these specific instructions, you should also use the current *Pub. 1099*. Those general instructions include information about the following topics.

- Who must file.
- When and where to file.
- Electronic reporting.
- Corrected and void returns.
- Statements to recipients.
- Taxpayer identification numbers (TINs).
- Backup withholding.
- Penalties.
- Other general topics.

E-filing returns. The Taxpayer First Act of 2019 authorized the Department of the Treasury and the IRS to issue regulations that reduce the 250-return e-file threshold. *Treasury Decision 9972*, published February 23, 2023, lowered the e-file threshold to 10 (calculated by aggregating all information returns), effective for information returns required to be filed on or after January 1, 2024. Go to *IRS.gov/InfoReturn* for e-file options.

Information Reporting Intake System (IRIS). The IRS has developed IRIS, an online portal for e-filing information returns. Go to *IRS.gov/IRIS* for more information.

Continuous-use revision. Use the December 2026 revisions of Form 1099-S and these instructions to file 2026 information with the IRS in early 2027. Also use them to furnish the information to the recipient. Continue to use these revisions for subsequent years until we issue a superseding revision. Do not use these revisions for prior years.

Online PDF fillable copy. To ease statement furnishing requirements, Copy B has been made fillable online in a PDF format available at *IRS.gov/Form1099S*. You may fill out Copy B online and send it to the recipients.

Specific Instructions

File Form 1099-S, Proceeds From Real Estate Transactions, to report the sale or exchange of real estate.

Reportable Real Estate

Generally, you are required to report a transaction that consists in whole or in part of the sale or exchange for money, indebtedness, property, or services of any present or future ownership interest in any of the following.

1. Improved or unimproved land, including air space.
2. Inherently permanent structures, including any residential, commercial, or industrial building.
3. A condominium unit and its appurtenant fixtures and common elements, including land.
4. Stock in a cooperative housing corporation (as defined in section 216).
5. Any non-contingent interest in standing timber.

Sale or exchange. A sale or exchange includes any transaction properly treated as a sale or exchange for federal income tax purposes, even if the transaction is not currently taxable. For example, a sale of a main home may be a reportable sale even though the transferor may be entitled to exclude the gain under section 121. But see *Exceptions*, later. Also, a transfer to a corporation that qualifies for nonrecognition of gain under section 351 is a reportable exchange. In addition, a transfer under a land contract is reportable in the year in which the parties enter into the contract.

Ownership interest. An ownership interest includes fee simple interests, life estates, reversions, remainders, and perpetual easements. It also includes any previously created rights to possession or use for all or part of any particular year (for example, a leasehold, easement, or timeshare), if such rights have a remaining term of at least 30 years, including any period for which the holder may renew such rights, determined on the date of closing. For example, a pre-existing leasehold on a building with an original term of 99 years and a remaining term of 35 years on the closing date is an ownership interest; however, if the remaining term is 10 years, it is not an ownership interest. An ownership interest does not include any option to acquire real estate. An ownership interest also includes any contractual interest in a sale or exchange of standing timber for a lump-sum payment that is fixed and not contingent.

Involuntary conversion. A sale of real estate under threat or imminence of seizure, requisition, or condemnation is generally a reportable transaction.

Timber. Report on Form 1099-S payments of timber royalties made under a pay-as-cut contract, reportable under section 6050N. For more information, see Announcement 90-129, 1990-48 I.R.B. 10.

Exceptions

The following is a list of transactions that are not reportable; however, you may choose to report them. If you do, you are subject to the rules in these instructions.

1. Sale or exchange of a residence (including stock in a cooperative housing corporation) for $250,000 or less if you received an acceptable written assurance (certification) from the seller that such residence is the principal residence (within the meaning of section 121) of the seller and the full amount of the gain on such sale is excludable from gross income under section 121. If the certification includes an assurance that the seller is married, the preceding sentence shall be applied by substituting "$500,000" for "$250,000." If there are joint sellers, you must obtain a certification from each seller (whether married or not) or file Form 1099-S for any seller who does not make the certification. Also, the seller must include in the certification that there has been no period of nonqualified use (as that term is defined in section 121(b)(5)(C)) after December 31, 2008, and as required by section 6045(e)(5)(A)(iii), that the full amount of the gain from the sale is excludable under

section 121. The certification must be signed by each seller under penalties of perjury.

A sample certification format can be found in Rev. Proc. 2007-12, 2007-4 I.R.B. 354, available at *IRS.gov/irb/2007-04_IRB#RP-2007-12.html*. The sample certification does not include an assurance that there has been no period of nonqualified use and an assurance that the full amount of the gain from the sale is excludable under section 121. The seller must add the information, as explained earlier.

You may get the certification any time on or before January 31 of the year after the year of sale. You may rely on the certification and not file or furnish Form 1099-S unless you know that any assurance on the certification is incorrect.

You must keep the certification for 4 years after the year of sale. You may keep the certification on paper, microfilm, microfiche, or in an electronic storage system.

You are not required to obtain the certification. However, if you do not obtain it, you must file and furnish Form 1099-S.

2. Any transaction in which the transferor is a corporation (or is considered to be a corporation under Regulations section 1.6045-4(d)(2)). A corporation includes associations, joint-stock companies, and insurance companies, as well as publicly traded partnerships. Any transaction in which the transferor is a governmental unit (including U.S. territories), including a foreign government or an international organization, or an exempt volume transferor. Under this rule, if there are exempt and nonexempt transferors, you must file Form 1099-S only for the nonexempt transferor.

An exempt volume transferor is someone who sold or exchanged during the year, who expects to sell or exchange during the year, or who sold or exchanged in either of the 2 previous years at least 25 separate items of reportable real estate to at least 25 separate transferees. In addition, each item of reportable real estate must have been held, at the date of closing, or will be held primarily for sale or resale to customers in the ordinary course of a trade or business. You are not required to report an exempt volume transferor's transactions if you receive, under penalties of perjury, a certification of exempt status required by Regulations section 1.6045-4(d)(3).

3. Any transaction that is not a sale or exchange, including a bequest, a gift (including a transaction treated as a gift under section 1041), and a financing or refinancing that is not related to the acquisition of real estate.

4. A transfer in full or partial satisfaction of a debt secured by the property. This includes a foreclosure, a transfer in lieu of foreclosure, or an abandonment.

5. A de minimis transfer for less than $600. A transaction is de minimis if it can be determined with certainty that the total money, services, and property received or to be received is less than $600, as measured on the closing date. For example, if a contract for sale provides for total consideration of "$1.00 plus other valuable consideration," the transfer is not a de minimis transfer unless you can determine that the "other valuable consideration" is less than $599, as measured on the closing date. The $600 rule applies to the transaction as a whole, not separately to each transferor.

No reporting is required for the sale or exchange of an interest in the following types of property, provided the sale is not related to the sale or exchange of reportable real estate.

- An interest in surface or subsurface natural resources (for example, water, ores, or other natural deposits) or crops, whether or not such natural resources or crops are severed from the land. For this purpose, the terms "natural resources" and "crops" do not include standing timber. For timber royalties, see *Timber*, earlier.
- A burial plot or vault.
- A manufactured structure used as a dwelling that is manufactured and assembled at a location different from that where it is used, but only if such structure is not affixed, on the closing date, to a foundation. This exception applies to the transfer of an unaffixed mobile home that is unrelated to the sale or exchange of reportable real estate.
- A principal residence (including stock in a cooperative housing corporation) provided the reporting person obtain from the transferor a written certification. For more details, see Regulations section 1.6045-4(c)(2)(iv).

Who Must File

Generally, the person responsible for closing the transaction, as explained in (1) below, is required to file Form 1099-S. If no one is responsible for closing the transaction, the person required to file Form 1099-S is explained in (2), later. However, you may designate the person required to file Form 1099-S in a written agreement, as explained under (3), later.

1. If you are the person responsible for closing the transaction, you must file Form 1099-S. If a Closing Disclosure or other settlement form is used, as prescribed under the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank), and a person is listed as the settlement agent on the Closing Disclosure or other settlement statement, the person responsible for closing the transaction is the person listed as the settlement agent on that Closing Disclosure or other settlement statement. The Closing Disclosure combines and replaces the HUD-1 Settlement Statement and the final Truth-in-Lending (TIL) statement under the Real Estate Settlement Procedures Act (RESPA) of 1974, as amended, and the Federal Truth in Lending Act, which is contained in title I of the Consumer Credit Protection Act, as amended (15 U.S.C. 1601). The form incorporates the information provided on the Closing Disclosure. A Closing Disclosure includes any amendments, variations, or substitutions that may be prescribed under Dodd-Frank if any such form discloses the transferor and transferee, the application of the proceeds, and the identity of the settlement agent or other person responsible for preparing the form.

If the Closing Disclosure is not used or no settlement agent is listed, the person responsible for closing the transaction is the person who prepares a Closing Disclosure that identifies the transferor and transferee, reasonably identifies the real estate transferred, and describes how the proceeds are to be or were disbursed.

If no Closing Disclosure is used or if two or more Closing Disclosures are used, the person responsible for closing the transaction is, in the following order.

a. The transferee's attorney who is present at the delivery of either the transferee's note or a significant part of the cash or digital asset proceeds to the transferor or who prepares or reviews the preparation of the documents transferring legal or equitable ownership.

b. The transferor's attorney who is present at the delivery of either the transferee's note or a significant part of the cash or digital asset proceeds to the transferor or who prepares or reviews the preparation of the documents transferring legal or equitable ownership.

c. The disbursing title or escrow company that is most significant in disbursing gross proceeds.

If there is more than one attorney described in (a) or (b), the one whose involvement is most significant is the person considered responsible for closing the transaction.

2. If no one is responsible for closing the transaction, as explained in (1) above, the person responsible for filing is, in the following order: (a) the mortgage lender, (b) the transferor's broker, (c) the transferee's broker, or (d) the transferee.

For purposes of (2) above, apply the following definitions.

a. Mortgage lender means a person who lends new funds in connection with the transaction, but only if the loan is at least partially secured by the real estate. If there is more than one lender, the one who lends the most new funds is the mortgage lender. If several lenders advance equal amounts of new funds and no other person advances a greater amount of new funds, the mortgage lender is the one who has the security interest that is most senior in priority. Amounts advanced by the transferor are not treated as new funds.

b. Transferor's broker means the broker who contracts with the transferor and who is compensated for the transaction.

c. Transferee's broker means the broker who significantly participates in the preparation of the offer to acquire the property or who presents such offer to the transferor. If there is more than one such person, the transferee's broker is the one who most significantly participates in the preparation of the acquisition offer. If there is no such person, the one who most significantly participates in the presentation of the offer is the transferee's broker.

d. Transferee means the person who acquires the greatest interest in the property. If no one acquires the greatest interest, the transferee is the person listed first on the ownership transfer documents.

3. Designation agreement. You can enter into a written agreement at or before closing to designate who must file Form 1099-S for the transaction. The agreement will identify the person responsible for filing if such designated person signs the agreement. It is not necessary that all parties to the transaction (or that more than one party) enter into the agreement.

You may be designated in the agreement as the person who must file if you are the person responsible for closing the transaction (as explained in (1) under *Who Must File*, earlier), the transferee's or transferor's attorney (as explained in (1) under *Who Must File*, earlier), the title or escrow company that is most significant in disbursing gross proceeds, or the mortgage lender (as explained in (2a) under *Who Must File*, earlier).

The designation agreement may be in any written form and may be included on the Closing Disclosure. It must:

a. Identify by name and address the person designated as responsible for filing,

b. Include the names and addresses of each person entering into the agreement,

c. Be signed and dated by all persons entering into the agreement,

d. Include the names and addresses of the transferor and transferee, and

e. Include the address and any other information necessary to identify the property.

Each person who signs the agreement must keep it for 4 years.

For each transaction, be sure that only one person is responsible for filing and that only one Form 1099-S is filed for each transferor.

Employees, Agents, and Partners

If an employee, agent, or partner, acting within the scope of such person's employment, agency, or partnership, participates in a real estate transaction, only the employer, principal, or partnership (not the employee, agent, or partner) may be the reporting person. However, the participation of a person listed on the Closing Disclosure as the settlement agent acting as an agent of another is not attributed to the principal.

Foreign Transferors

Sales or exchanges involving foreign transferors are reportable on Form 1099-S. For information on the transferee's responsibility to withhold income tax when a U.S. real property interest is acquired from a foreign person, see *Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities*.

Multiple Transferors

For multiple transferors of the same real estate, you must file a separate Form 1099-S for each transferor. At or before closing, you must request from the transferors an allocation of the gross proceeds among the transferors. The request and the response are not required to be in writing. You must make a reasonable effort to contact all transferors of whom you have knowledge. However, you may rely on the unchallenged response of any transferor, and you need not make additional contacts with other transferors after at least one complete allocation is received (100% of gross proceeds, whether or not received in a single response). If you receive the allocation, report gross proceeds on each Form 1099-S accordingly.

You are not required to, but you may, report gross proceeds in accordance with an allocation received after the closing date but before the due date of Form 1099-S (without extensions). However, you cannot report gross proceeds in accordance with an allocation received on or after the due date of Form 1099-S (without extensions).

If no gross proceeds are allocated to a transferor because no allocation or an incomplete allocation is received, you must report the total unallocated gross proceeds on the Form 1099-S made for that transferor. If you do not receive any allocation or you receive conflicting allocations, report on each transferor's Form 1099-S the total unallocated gross proceeds.

Spouses. If the transferors were spouses at the time of closing who held the property as joint tenants, tenants by the entirety, tenants in common, or as community property, treat them as a single transferor. Only one Form 1099-S showing either spouse as the transferor is required. You need not request an allocation of gross proceeds if spouses are the only transferors. But if you receive an uncontested allocation of gross proceeds from them, file Form 1099-S for each spouse according to the allocation. If there are other transferors, you must make a reasonable effort to contact either spouse to request an allocation.

Partnerships. If the property is transferred by a partnership, file only one Form 1099-S for the partnership, not separate Forms 1099-S for each partner.

Multiple Assets Sold

If real estate is sold or exchanged and other assets are sold or exchanged in the same transaction, report the total gross proceeds from the entire transaction on Form 1099-S.

TINs

You must request the transferor's TIN no later than the time of closing. The TIN request need not be made in a separate mailing. Rather, it may be made in person, in a mailing that includes other items, or electronically. The transferor is required to furnish their complete, non-truncated TIN and to certify that the TIN is correct. For U.S. persons (including U.S. resident aliens), you may request a TIN on *Form W-9, Request for Taxpayer Identification Number and Certification*. Foreign persons may provide their TIN to you on the appropriate *Form W-8*. See part J in the current *Pub. 1099*.

Alternatively, you may provide a written statement to the transferor similar to the following: “You are required by law to provide (insert name of person responsible for filing) with your correct taxpayer identification number. If you do not provide (insert name of person responsible for filing) with your correct taxpayer identification number, you may be subject to civil or criminal penalties imposed by law.”

The solicitation must contain space for the name, address, and TIN of the transferor and a place to certify, under penalties of perjury, that the TIN furnished is the correct TIN of the transferor. The certification must read similar to: “Under penalties of perjury, I certify that I am a U.S. person or U.S. resident alien and the number shown on this statement is my correct taxpayer identification number.”

If you use a Closing Disclosure, you may provide a copy of such statement, appropriately modified to solicit the TIN, to the transferor. Keep the Form W-9, W-8, or substitute form in your records for 4 years.

Separate Charge Prohibited

You may not charge your customers a separate fee for complying with the Form 1099-S filing requirements. However, you may take into account the cost of filing the form in setting the fees you charge your customers for services in a real estate transaction.

Statements to Transferors

If you are required to file Form 1099-S, you must furnish a statement to the transferor. Furnish a copy of Form 1099-S or an acceptable substitute statement to each transferor. For more information about the requirement to furnish a statement to the transferor, see part M in the current *Pub. 1099*.

You are not required to indicate on Form 1099-S that the transferor's (seller's) financing was federally subsidized. Also, you are not required to enter the following.

- Both total gross proceeds and the allocated gross proceeds for a multiple transferor transaction (enter either one or the other).
- An indication that the transferor may receive property or services for an obligation having a stated principal amount.
- An indication that, in connection with a contingent payment transaction, the transferor may receive gross proceeds that cannot be determined with certainty under the regulations and is not included in gross proceeds.

Truncating transferor's TIN on payee statements. Pursuant to Regulations section 301.6109-4, all filers of this form may truncate a transferor's TIN (social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN)) on payee statements. Truncation is not allowed on any documents the filer files with the IRS. A filer's TIN may not be truncated on any form. See part J in the current *Pub. 1099*.

Filer's Name, Address, and Telephone Number Box

Enter the name, address, and telephone number of the person who is filing Form 1099-S. The name and address must be the same as the filer information reported on Form 1096, Annual Summary and Transmittal of U.S. Information Returns.

Country. For a list of country codes, go to *IRS.gov/CountryCodes*.

Transferor's Name and Address Box

Enter the name and address of the seller or other transferor of the real estate. If spouses are joint sellers, it is only necessary to enter one name and the TIN for that person on the form, unless the reporting person receives, at or prior to the time of closing, an uncontested allocation of gross proceeds between them.

Account Number

The account number is required if you have multiple accounts for a recipient for whom you are filing more than one Form 1099-S. Additionally, the IRS encourages you to designate an account number for all Forms 1099-S that you file. See part L in the current *Pub. 1099*.

Box 1. Date of Closing

Enter the closing date. On a Closing Disclosure, the closing date is the Closing Disclosure date. If a Closing Disclosure is not used, the closing date is the earlier of the date title transfers or the date the economic burdens and benefits of ownership shift to the transferee.

Box 2a. Total Gross Proceeds

Enter the total gross proceeds from the real estate transaction, generally the sales price. Box 2a is the total of boxes 2b and 2c.

Gross proceeds means the total cash received including cash received from a processor of digital asset payments, consideration treated as cash received, and the value of any digital asset received by or on behalf of the transferor in connection with the real estate transaction.

Total gross proceeds does not include the value of any property (other than cash, consideration treated as cash, and digital assets) or services received or to be received by, or on behalf of, the transferor.

Do not reduce gross proceeds by any expenses paid by the transferor, such as sales commissions, deed preparation, advertising, and legal expense.

Box 2b. Total Cash Gross Proceeds

Enter the total cash gross proceeds from the sale or exchange of real estate. Cash gross proceeds means any cash or consideration treated as cash received for the real property by or on behalf of the transferor, including the stated principal amount of a note payable to or for the benefit of the transferor and including a note or mortgage paid off at settlement. If the transferee assumes a liability of the transferor or takes the property subject to a liability, such liability is treated as cash and is includible as part of cash gross proceeds. For a contingent payment transaction, include the maximum determinable proceeds. Also, see *Multiple Assets Sold*, earlier.

If you are reporting a like-kind exchange of property for which no gross proceeds are reportable, enter -0- (zero) in box 2a and enter an "X" in the checkbox in box 6.

Cash proceeds includes cash received from a processor of digital asset payments. It does not include the value of digital assets, other property or services received or to be received by or on behalf of the transferor, or separately stated cash received for personal property, such as draperies, rugs, or a washer and dryer.

If a Closing Disclosure is used for a transfer of real estate for cash, notes, and digital assets only, gross proceeds will generally be the contract sales price shown on that statement. If other property or services were exchanged, see the box 6 instructions, later.

Box 2c. Digital Asset Gross Proceeds

Enter the gross proceeds of the digital assets the transferor received, or will receive from the sale or exchange of real estate.

Digital asset received means the fair market value in U.S. dollars of the digital asset actually received. Additionally, if the consideration received by the transferor includes an obligation to pay a digital asset to or for the benefit of the transferor in the future, the value of any digital asset received includes the fair market value, as of the date and time the obligation is entered into, of the digital asset to be paid as stated principal under such obligation. The fair market value of any digital asset received must be determined based on the valuation rules provided in Regulations section 1.6045-1(d)(5)(ii).

Digital asset. A digital asset is any digital representation of value that is recorded on a cryptographically secured distributed ledger (such as a blockchain or any similar technology), without regard to whether each individual transaction involving that digital asset is actually recorded on that distributed ledger and that is not cash (that is, U.S. dollars or any convertible foreign currency issued by a government or central bank). See Regulations section 1.6045-1(a)(19).

Limitation on information provided related to digital assets. The information required in the case of payment made to the transferor using digital assets is not required unless you have actual knowledge or ordinarily would know that digital assets were received by the transferor as payment. For purposes of this limitation, you are considered to have actual knowledge that payment was made to the transferor using digital assets if the terms of the real estate contract provide for payment using digital assets.

Contingent payment transaction. A contingent payment transaction is one in which the receipt, by or on behalf of the transferor, is subject to a contingency. The maximum determinable proceeds means the greatest amount of gross proceeds possible if all the contingencies are satisfied. If the maximum amount of gross proceeds cannot be determined with certainty, the maximum determinable proceeds are the greatest amount that can be determined with certainty.

Box 3. Address (Including City, State, and ZIP Code) or Legal Description

Enter the address of the property, including the city, state, and ZIP code. If the address does not sufficiently identify the property, also

enter a legal description, such as section, lot, and block. For timber royalties, enter “Timber royalties.” For lump-sum timber payments, enter “Lump-sum timber payment.”

Box 4. Buyer’s Part of Real Estate Tax

For a real estate transaction involving a residence, enter the real estate tax paid in advance that is allocable to the buyer. You do not have to report an amount as allocable to the buyer for real estate taxes paid in arrears. You may use the appropriate information included on the Closing Disclosure, or comparable form, provided at closing. For example, a residence is sold in a county where the real estate tax is paid annually in advance. The seller paid real estate taxes of $1,200 for the year in which the sale took place. The sale occurred at the end of the ninth month of the real estate tax year. Therefore, $300 of the tax paid in advance is allocated to the buyer, by reference to the amount of real estate tax shown on the Closing Disclosure as paid by the seller in advance, and is reported in box 6. See Notice 93-4, 1993-1 C.B. 295.

Box 5. Reserved

Reserved for future use.

Box 6. Check Here if the Transferor Received or Will Receive Services or Property (Other Than Cash, Notes, or Digital Assets) as Part of the Consideration

If the transferor received or will receive property (other than cash, consideration treated as cash, and digital asset(s) in figuring gross proceeds) or services as part of the consideration for the property, enter an “X” in the checkbox in box 6.

Box 7. Check Here if the Transferor Is a Foreign Person (Nonresident Alien, Foreign Partnership, Foreign Estate, or Foreign Trust)

If the transferor is a foreign person (nonresident alien, foreign partnership, foreign estate, or foreign trust), enter an "X" in the checkbox in box 7. See Form 8288, U.S. Withholding Tax Return for Certain Dispositions by Foreign Persons, and its separate instructions for tax withholding requirements for properties sold by a foreign transferor.

Box 8a. Code for Digital Asset Received, or to Be Received, as Consideration

Enter the nine alphanumeric characters of the digital token identifier issued by the Digital Token Identifier Foundation (DTIF). See *https://dtif.org/registry-search*. If the digital asset is not registered with DTIF, enter “999999999”.

Box 8b. Name of Digital Asset Received, or to Be Received, as Consideration

Enter the full name of the digital asset for which the amounts are being reported. If you entered a DTIF digital token identifier in box 8a, enter the name that matches the DTIF registration.

Box 8c. Number of Digital Asset Units Received, or to Be Received, as Consideration

Enter the number of digital asset units the transferor received, or will receive, as consideration to 18 decimal places.

Box 8d. Date Digital Asset Received, or to Be Received, as Consideration

Enter the date of the digital asset the transferor received, or will receive, as consideration in MM/DD/YYYY. Leave this box blank if the digital assets were received on a variety of dates.