

## ***Attention!***

This form is provided for informational purposes and should not be reproduced on personal computer printers by individual taxpayers for filing. The printed version of this form is a "machine readable" form. As such, it must be printed using special paper, special inks, and within precise specifications.

Additional information about the printing of these specialized tax forms can be found in: Publication 1167, *Substitute Printed, Computer-Prepared, and Computer-Generated Tax Forms and Schedules*; and, Publication 1179, *Specifications for Paper Document Reporting and Paper Substitutes for Forms 1096, 1098, 1099 Series, 5498, and W-2G*.

The publications listed above may be obtained by calling 1-800-TAX-FORM (1-800-829-3676). Be sure to order using the IRS publication number.

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|  |                                       |                                    |                               |   |                                |
|--|---------------------------------------|------------------------------------|-------------------------------|---|--------------------------------|
| PAYER'S name, street address, city, state, ZIP code, and telephone no. |                                       | 1 Original issue discount for 1997 | OMB No. 1545-0117             | <b>1997</b>   | <b>Original Issue Discount</b> |
|  |                                       | \$                                 | 2 Other periodic interest     |   |                                |
| PAYER'S Federal identification number                                  | RECIPIENT'S identification number     | 3 Early withdrawal penalty         | 4 Federal income tax withheld | <b>Copy A</b><br><b>For Internal Revenue Service Center</b><br><b>File with Form 1096.</b><br><br>For Paperwork Reduction Act Notice and instructions for completing this form, see <b>Instructions for Forms 1099, 1098, 5498, and W-2G.</b> |                                |
| RECIPIENT'S name   |                                       | 5 Description                      | \$                            |   |                                |
| Street address (including apt. no.)                                    |                                       |                                    |                               |   |                                |
| City, state, and ZIP code  |                                       |                                    |                               |   |                                |
| Account number (optional)  | 2nd TIN Not. <input type="checkbox"/> |                                    |                               |   |                                |

Form **1099-OID**

Cat. No. 14421R

Department of the Treasury - Internal Revenue Service

**Do NOT Cut or Separate Forms on This Page**

CORRECTED (if checked)

|  |                                   |   |  |   |  |
|--|-----------------------------------|---|--|---|--|
| PAYER'S name, street address, city, state, ZIP code, and telephone no. |                                   | 1 Original issue discount for 1997*   | OMB No. 1545-0117<br><b>1997</b><br>Form <b>1099-OID</b> | <b>Original Issue Discount</b>  |  |
|  |                                   | \$  |  |   |  |
|  |                                   | 2 Other periodic interest   |  |   |  |
|  |                                   | \$  |  |   |  |
| PAYER'S Federal identification number                                  | RECIPIENT'S identification number | 3 Early withdrawal penalty  | 4 Federal income tax withheld                            | <b>Copy B For Recipient</b><br>This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported. |  |
|  |                                   | \$  | \$   |   |  |
| RECIPIENT'S name   |                                   | 5 Description   |  |   |  |
| Street address (including apt. no.)                                    |                                   |   |  |   |  |
| City, state, and ZIP code  |                                   |   |  |   |  |
| Account number (optional)  |                                   | * This may not be the correct figure to report on your income tax return. See instructions on the back. |  |   |  |

Form **1099-OID**

(Keep for your records.)

Department of the Treasury - Internal Revenue Service

## Instructions for Recipient

Original issue discount (OID) is the difference between the stated redemption price at maturity and the issue price of a bond, debenture, note, or other evidence of indebtedness, or the acquisition price of a stripped bond or coupon. OID rules also apply to **certificates of deposit (CDs)**, time deposits, bonus savings plans, and other deposit arrangements having a term of more than 1 year, provided the payment of interest is deferred until maturity.

OID is taxable as interest over the life of the obligation. If you are the holder of one of these obligations, you must include a part of the OID in your gross income each year you hold the obligation.

If, as the record holder, you receive Form 1099-OID showing amounts belonging to another person, you are considered a **nominee** recipient. You must file Form 1099-OID for each of the other owners showing the amounts allocable to each. Furnish a Form 1099-OID to each owner. File Form(s) 1099-OID with **Form 1096**, Annual Summary and Transmittal of U.S. Information Returns, with the Internal Revenue Service Center for your area. On each Form 1099-OID, list yourself as the "payer" and the other owner as the "recipient." On Form 1096, list yourself as the "filer." A husband or wife is not required to file a nominee return to show amounts owned by the other. If you bought or sold an obligation during the year and you are not a nominee, you are not required to issue or file Form 1099-OID showing the OID or stated interest allocable to the seller/buyer of the obligation.

**Box 1.**—Shows the OID on the obligation for the part of the year you owned it. Report the entire amount in box 1 as interest income on your income tax return. However, if you paid acquisition or bond premium,

or if the obligation is a stripped bond or stripped coupon, you must compute your proper amount of OID. If you must compute your proper OID, see **Pub. 1212**, List of Original Issue Discount Instruments, to figure the correct OID to report on your tax return.

**Box 2.**—Shows other interest on this obligation for the year, which is an amount separate from the OID. If you held the obligation the entire year, report this amount as interest income on your tax return. If you disposed of the obligation or acquired it from another holder during the year, see **Pub. 550**, Investment Income and Expenses, for reporting instructions. If you are a regular interest holder in a single-class REMIC (as defined in regulations under section 67(c)), this amount includes your share of the investment expenses of the REMIC, deductible as a "Miscellaneous Deduction" on Schedule A (Form 1040) subject to the 2% limit.

**Box 3.**—Shows the interest or principal you forfeited if you withdrew the money before the maturity date of the obligation, such as from a CD. You may deduct this on your Federal income tax return only on the "Penalty on early withdrawal of savings" line of Form 1040.

**Box 4.**—Shows backup withholding. For example, persons not furnishing their taxpayer identification number to the payer become subject to backup withholding at a 31% rate on certain payments shown on the form. See **Form W-9**, Request for Taxpayer Identification Number and Certification, for information on backup withholding. **Include this amount on your income tax return as tax withheld.**

**Box 5.**—Shows the identification number (CUSIP number) or description of the obligation. The description may include the stock exchange, issuer, coupon rate, and year of maturity.

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|  |  |                                    |  |
|--|--|------------------------------------|--|
| PAYER'S name, street address, city, state, ZIP code, and telephone no. |  | 1 Original issue discount for 1997 | OMB No. 1545-0117<br><br><b>1997</b><br><br>Form <b>1099-OID</b> |
|  |  | \$                                 |  |
|  |  | 2 Other periodic interest          |  |
|  |  | \$                                 |  |
| PAYER'S Federal identification number                                  | RECIPIENT'S identification number        | 3 Early withdrawal penalty         | 4 Federal income tax withheld                                    |
|  |  | \$                                 | \$   |
| RECIPIENT'S name   |  | 5 Description                      |  |
| Street address (including apt. no.)                                    |  |                                    |  |
| City, state, and ZIP code  |  |                                    |  |
| Account number (optional)  | 2nd TIN Not.<br><input type="checkbox"/> |                                    |  |

**Original Issue Discount**

**Copy C For Payer**  
For Paperwork Reduction Act Notice and instructions for completing this form, see **Instructions for Forms 1099, 1098, 5498, and W-2G.**

Form **1099-OID**

Department of the Treasury - Internal Revenue Service

## Payers, Please Note—

Specific information needed to complete this form and other forms in the 1099 series is given in the **1997 Instructions for Forms 1099, 1098, 5498, and W-2G**. A chart in those instructions gives a quick guide to which form must be filed to report a particular payment. You can order those instructions and additional forms by calling 1-800-TAX-FORM (1-800-829-3676).

Furnish Copy B of this form to the recipient by February 2, 1998.

File Copy A of this form with the IRS by March 2, 1998.

**Foreign Recipient.**—For information about withholding on and reporting of income paid to a foreign person, see **Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Corporations**, and the **Instructions for Form 1042-S**.

