

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Original issue discount for 2011* \$	OMB No. 1545-0117  <b>2011</b> 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> 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, street address, city, state, and ZIP code		5 Description		
		6 Original issue discount on U.S. Treasury obligations* \$		
		7 Investment expenses \$		
Account number (see instructions)		* 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 excess of an obligation's stated redemption price at maturity over its issue price (acquisition price for a stripped bond or coupon). OID is taxable as interest over the life of the obligation. If you are the holder of an OID obligation, generally you must include an amount of OID in your gross income each year you hold the obligation. Obligations that may have OID include a bond, debenture, note, certificate, or other evidence of indebtedness having a term of more than 1 year. For example, the OID rules may apply to certificates of deposit (CDs), time deposits, bonus savings plans, and other deposit arrangements, especially if the payment of interest is deferred until maturity. In addition, the OID rules apply to Treasury inflation-protected securities. See Pub. 550, Investment Income and Expenses, for more information.

If, as the record holder, you receive Form 1099-OID showing amounts belonging to another person, you are considered a nominee recipient. Complete a Form 1099-OID for each of the other owners showing the amounts allocable to each. File Copy A of the form with the IRS. Furnish Copy B to each owner. List yourself as the "payer" and the other owner as the "recipient." 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 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.

**Account number.** May show an account or other unique number the payer assigned to distinguish your account.

**Box 1.** Shows the OID on the obligation for the part of the year you owned it. Report the amount in box 1 as interest income on your income tax return. However, depending on the type of debt instrument, the issue or acquisition date, and other factors (for example, if you paid acquisition or bond premium, or the obligation is a

stripped bond or coupon), you may have to figure the correct amount of OID to report on your return. See Pub. 1212, Guide to Original Issue Discount (OID) Instruments, for details on how to figure the correct OID.

**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 for reporting instructions. If there is an amount in both boxes 2 and 6, the amount in box 2 is interest on a U.S. Treasury obligation and is exempt from state and local income taxes.

**Box 3.** Shows interest or principal forfeited if you withdrew the money before the maturity date of the obligation, such as from a CD. You may deduct this amount to figure your adjusted gross income on your income tax return. See the instructions for Form 1040 to see where to take the deduction.

**Box 4.** Shows backup withholding. Generally, a payer must backup withhold if you did not furnish your taxpayer identification number (TIN) or you did not furnish the correct TIN to the payer. 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.

**Box 6.** Shows OID on a U.S. Treasury obligation for the part of the year you owned it. Report this amount as interest income on your federal income tax return, and see Pub. 1212 to figure any appropriate adjustments to this amount. This OID is exempt from state and local income taxes and is not included in box 1.

**Box 7.** Any amount shown is your share of investment expenses of a single-class REMIC. If you file Form 1040, you may deduct these expenses on the "Other expenses" line of Schedule A (Form 1040) subject to the 2% limit. This amount is included in box 2.