

Understanding your 2022 Forms 1099 and details



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This guide includes general information about the tax forms that may be included in the Consolidated Form 1099 that you may receive as a holder of an E*TRADE account. The guide is designed to help clarify the information reported on Forms 1099-B, 1099-DIV, 1099-INT, 1099-MISC, and 1099-OID.

E*TRADE does not offer tax advice, and this information should not be construed as tax, financial, or legal advice. This information should be reviewed together with the official IRS forms, instructions, and publications.

Important reminders

As a result of the merger with Morgan Stanley, you may notice some changes on your tax forms. For instance, the issuer name will be Morgan Stanley Domestic Holdings, E*TRADE Securities LLC instead of E*TRADE Securities LLC. Moreover, the removal of securities identified by a customer as “worthless” is not reported on Form 1099-B. For more information about worthless security tax reporting, consult a tax advisor or visit [irs.gov](https://www.irs.gov).

Remember, if you have accounts at both E*TRADE and Morgan Stanley, you’ll still receive separate tax forms for each account. Your E*TRADE forms will be available in the Tax Center.

Frequently asked questions

For more frequently asked questions, visit etrade.com/tax.

What is the Forms 1099 and details and why did I receive one?

Your Forms 1099 and details reports the year’s investment activity from your brokerage account, including gains or losses and dividends or income received. It consists of several parts that report different types of transactions and activity.

Form 1099-B reports the proceeds from broker and barter exchange transactions, and is issued if there are sales or redemptions of \$0.01 or more, cash in lieu of \$20 or more, or federal withholding tax associated with brokerage or stock plan transactions.

Form 1099-DIV is used to report dividends, capital gains, and other distributions (and cancellation of debt) of \$10 or more (\$600 or more for liquidation distributions), or if federal withholding taxes applied to the dividends.

Form 1099-INT reports interest income and is issued if there is interest income (including tax-exempt interest) of \$10 or more or if federal withholding taxes applied to the interest.

Form 1099-MISC reports income from royalties, other income, and substitute payments in lieu of dividends or interest, and is issued if you’ve received one of these types of income.

Form 1099-OID reports original issue discount income, and is issued if there is original issue discount income of \$10 or more or if federal withholding taxes applied to the OID.

What is the difference between a covered security and a non-covered security on my Form 1099-B?

Internal Revenue Service (IRS) cost basis regulations require us to report cost basis information for certain (covered) types of securities acquired on or after a specific date. We’re not required to report cost basis for non-covered securities or covered securities if they were acquired before the effective reporting date.

The following table shows securities by type, whether they are covered or non-covered, and the effective reporting date.

Security	Covered/non-covered	Date covered
Equities	Covered	January 1, 2011
Mutual funds and exchange-traded funds (ETFs)	Covered	January 1, 2012
Options and other fixed income securities	Covered	January 1, 2014
Complex debt instruments	Covered	January 1, 2016
Master limited partnerships (MLPs)	Non-covered	N/A
Commodities	Non-covered	N/A
Widely held fixed income trusts (WHFITs)	Non-covered	N/A

Your Form 1099-B is separated into two categories: covered securities and non-covered securities. The covered securities section reports gross proceeds from your covered securities transactions and also cost basis information. This information **will be reported** to the IRS.

The non-covered securities section reports gross proceeds for your non-covered securities transactions and may include cost basis information for informational purposes only. The gross proceeds information **will be reported** to the IRS, but the cost basis information **will not be reported** to the IRS. For non-covered securities, you are responsible for determining the cost basis when filing your tax return.

The non-covered securities section of Form 1099-B may also include securities with no cost or other basis and/or a missing acquisition date. These may be non-covered securities (see table above) or assets that were transferred to E*TRADE without cost basis or acquisition information from the sending firm.

How do I know if I will receive an amended Form 1099?

If you hold a mutual fund, ETF, real estate investment trust (REIT), WHFIT, or regulated investment company (RIC), you may receive one or more amended Forms 1099. This happens because those types of securities may reclassify payments made in 2022 or 2023. For example, a 2022 payment that was identified as an ordinary dividend may be reclassified in 2023 as a capital gain or nontaxable return of capital, prompting an amended Form 1099.

After initial Forms 1099 are generated, amended forms are typically delivered every two weeks starting in March. Later in the year, amended forms will be produced once a month, as required. If you signed up for electronic document delivery and will receive an amended tax form, we will notify you promptly by email.

For more information, visit the Tax Center at etrade.com/tax. There you’ll find:

- Electronic copies of your tax documents
- Frequently asked questions about tax forms, tax reporting, and cost basis
- Access to our Resources and support, which provides information to help you navigate your tax forms, gains and losses, and other cost basis rules

Important notice for stock plan participants:

- As you prepare your tax return, you may be eligible to adjust the cost basis of the stock plan securities that you sold to include any ordinary income amounts you recognized for the securities.
- Visit etrade.com/tax to download the *Stock Plan Transactions Supplement* document alongside your Form 1099. The supplement contains additional information about your stock plan transactions, including potential cost basis adjustments that are not reported on your Form 1099-B. You can also find educational guides that provide in depth information about tax reporting for different types of stock plan benefits.
- Visit etrade.com/spgainloss to view your current cost basis information and see the tax effects of potential cost basis adjustments.
- Visit etrade.com/stockplantax to access in-depth information about tax reporting for different types of stock plan benefits.

Form 1099-B

The illustration shown here is to help you understand the layout of your Form 1099-B compared with Form 8949. You may be required to use Schedule D and Form 8949 to report your gross proceeds, as well as cost basis, holding period for the shares sold, and gains or losses. For further information, please see the detailed reporting instructions for the form.

Form 1099-B reflects the proceeds from the disposition of securities, including sales, redemptions, exchanges, called bonds, returns of principal, and other dispositions of cash.

2022 FORM 1099-B: PROCEEDS FROM BROKER AND BARTER EXCHANGE TRANSACTIONS, CONTINUED OMB NO. 1545-0715

The information provided below is in accordance with Federal tax regulations and the IRS instructions that govern our reporting requirements. You should review this information carefully when completing your Form 8949 and Schedule D. There may be instances where our reporting requirements will not be consistent with your particular tax accounting position or elections. For these reasons, the IRS requires us to provide you with this reminder: Taxpayers are ultimately responsible for the accuracy of their tax returns.

Covered Short-Term Gains or Losses on Gross Proceeds

Report on Form 8949, Part I with Box A checked

Box 6: Gross Proceeds

Box 5: Box Not Checked (Covered Security)

Box 12: Basis Reported to the IRS

Box 2: Type of Gain or Loss - Short-Term

The 1099-B data referenced by a Box Number is reported to the IRS. The additional information not referenced by a Box Number is not reported to the IRS, but may be helpful to complete your return.

Description of property CUSIP (Box 1a)	Quantity Sold (Box 1b)	Date Acquired (Box 1c)	Date Sold or Disposed of (Box 1d)	Proceeds (Box 1e)	Cost or Other Basis (Box 1f)	Accrued Market Discount (Box 1g)	Wash Sale Loss Disallowed (Box 1h)	Gain/Loss Amount (Box 1i)	Additional Information
SAMPLE 123456789 CUSIP: 123456789	3.00000	01/18/2022	01/14/2022	(\$586.28)	\$0.00	\$0.00	\$0.00	(\$586.28)	BUY TO CLOSE
SAMPLE 123456789 CUSIP: 123456789	3.00000	01/21/2022	01/13/2022	\$275.35	\$0.00	\$0.00	\$0.00	\$275.35	EXPIRATION
SAMPLE 123456789 CUSIP: 123456789	3.00000	01/14/2022	01/10/2022	\$248.32	\$0.00	\$0.00	\$0.00	\$248.32	BUY TO CLOSE
3 ITEMS - TOTAL				(\$62.61)	\$0.00	\$0.00	\$0.00	(\$62.61)	

Description of property CUSIP (Box 1a)	Profit or (Loss) Realized in 2022 on Closed Contracts (Box 8)	Unrealized Profit or (Loss) on Open Contracts 12/31/2021 (Box 9)	Unrealized Profit or (Loss) on Open Contracts 12/31/2022 (Box 10)	Aggregate Profit or (Loss) on Contracts (Box 11)	Additional Information
PUT SAMPLE 123456789	\$1,927.56	-	-	\$1,927.56	
PUT SAMPLE 123456789	(\$1,361.44)	-	-	(\$1,361.44)	
PUT SAMPLE 123456789	\$1,268.56	-	-	\$1,268.56	

Form **8949** Sales and Other Dispositions of Capital Assets OMB No. 1545-0074

Go to www.irs.gov/Form8949 for instructions and the latest information.

File with your Schedule D to list your transactions for lines 1b, 2, 3, 8b, 9, and 10 of Schedule D.

Attachment Sequence No. **12A**

Name(s) shown on return Social security number or taxpayer identification number

Before you check Box A, B, or C below, see whether you received any Form(s) 1099-B or substitute statement(s) from your broker. A substitute statement will have the same information as Form 1099-B. Either will show whether your basis (usually your cost) was reported to the IRS by your broker and may even tell you which box to check.

Part I Short-Term. Transactions involving capital assets you held 1 year or less are generally short-term (see instructions). For long-term transactions, see page 2.

Note: You may aggregate all short-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 1a; you aren't required to report these transactions on Form 8949 (see instructions).

You must check Box A, B, or C below. Check only one box. If more than one box applies for your short-term transactions, complete a separate Form 8949, page 1, for each applicable box. If you have more short-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

- (A) Short-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see Note above)
- (B) Short-term transactions reported on Form(s) 1099-B showing basis **wasn't** reported to the IRS
- (C) Short-term transactions not reported to you on Form 1099-B

1	(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold or disposed of (Mo., day, yr.)	(d) Proceeds (sales price) (see instructions)	(e) Cost or other basis See the Note below and see Column (e) in the separate instructions.	Adjustment, if any, to gain or loss If you enter an amount in column (g), enter a code in column (f). See the separate instructions.	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g).
	(A)	(B)	(C)	(D)	(E)	(F)	(H)
						(g) Amount of adjustment	

A. Column 1a: Description and quantity sold

This column includes the security name, CUSIP, and number of shares sold for stocks, ETFs, mutual funds, and bonds. Redemptions, exchanges, called bonds, returns of principal, and dispositions of cash are also listed here. Options contracts are reportable on Form 1099-B as of 2014.

B. Column 1b: Date acquired

The date of the opening transaction appears here for both non-covered and covered securities. For short sales, the date shown is the date you acquired the security delivered to close the short sale.

C. Column 1c: Date sold or disposed

The date of the closing transaction appears here for both non-covered and covered securities. For short sales, the date shown is the date the security was delivered to close the short sale.

D. Column 1d: Proceeds

The amounts of the proceeds resulting from closing transactions are shown here. Commission charges have already been subtracted from these amounts.

E. Column 1e: Cost or other basis

This is the amount you paid for any opening transactions. This amount was adjusted to reflect commissions, fees, and any corporate actions, including stock splits, name changes, reorganizations, and redemptions. To identify your price per share, visit etrade.com/gainloss. Your Form 1099-B will show cost or other basis for both non-covered and covered securities. Non-covered securities are shown for informational purposes only. Only the cost basis of covered securities is reported to the IRS.

F. Column 1f: Accrued market discount

This shows the amount of accrued market discount.

G. Column 1g: Wash sale loss disallowed

This shows the amount of nondeductible loss in a wash sale transaction.

H. Column 1h: Gain/loss amount

The gain or loss is determined by subtracting the cost basis from the proceeds. Adjustment amounts that may be needed to determine your taxable gain or loss may not be reflected in this amount. Adjustments—columns 1(f) and 1(g)—are *not* reflected in this amount; you may need to identify and account for them in your calculations.

I. Box 2: Type of gain or loss

Identifies the gain or loss as either short-term, long-term, or ordinary. For more information about a gain classified as ordinary, see the instructions for Form 8949, IRS Publication 550, or IRS Publication 1212.

J. Box 5:

Identifies whether the securities that were sold are noncovered.

K. Box 4: Backup withholding (not pictured in sample)

Shows backup withholding applied to gross proceeds.

L. Regulated futures contracts, foreign currency contracts, and Section 1256 options contracts (boxes 8-11)

Box 8:

Shows profit or loss realized on regulated futures, foreign currency, or Section 1256 options contracts closed during 2022.

Box 9:

Shows any year-end adjustment to profit or loss shown in box 8 due to open contracts on December 31, 2021.

Box 10:

Shows the unrealized profit or loss on open contracts held in your account on December 31, 2022.

Form 1099-OID

Additional information about Form 1099-OID may be included in your 2022 Forms 1099 and details. For further information, see the detailed reporting instructions for the form.

2022 FORM 1099-OID: ORIGINAL ISSUE DISCOUNT								OMB NO. 1545-0117
The 1099-OID data referenced by a Box Number is reported to the IRS. The additional information not referenced by a Box number is not reported to the IRS, but may be helpful to complete your return.								
ORIGINAL ISSUE DISCOUNT AND INVESTMENT EXPENSES								
Security Description	CUSIP (Box 7)	Original Issue Discount for 2022 (Box 1)	Other Periodic Interest (Box 2)	Original Issue Discount on U.S. Treasury Obligations (Box 8)	Investment Expenses (Box 9)	Tax-Exempt OID (Box 11)	Tax-Exempt OID*	Additional Information
SAMPLE	123456ABC	-	-	-	-	\$62.24	-	
1 ITEM - Other than U.S. Treasury obligations						\$62.24		
0 ITEM - U.S. Treasury obligations								
AMORTIZATIONS AND ADJUSTMENTS								
Security Description	CUSIP (Box 7)	Market Discount (Box 5)	Acquisition Premium (Box 6)	Bond Premium (Box 10)	Market Discount*	Acquisition Premium*	Bond Premium*	Additional Information
SAMPLE	123456ABC	-	\$12.62	-	-	-	-	
1 ITEMS - TOTALS			\$12.62					

2a Tax-exempt interest	2a		b Taxable interest	2b	
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Sample image of IRS Form 1040, Schedule B

Part I	1	Amount
Interest	List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see the instructions and list this interest first. Also, show that buyer's social security number and address ►	
(See instructions and the instructions for Forms 1040 and 1040-SR, line 2b.)	-----	

Note: If you received a Form	-----	1

Box 1: Original issue discount for 2022.

Original issue discount (OID) is the excess of an obligation's stated redemption price at maturity over its issue price. This box includes the OID on a taxable obligation for the part of the year that you owned the obligation. There may, however, be factors such as obligation type, acquisition date, issue date, or acquisition price that may affect the amount of OID that is reportable. For details about how to determine the reportable OID amount, see IRS Publication 1212: Guide to Original Issue Discount (OID) Instruments.

Box 2: Other periodic interest.

This box shows the stated interest on the obligation for the year, which is separate from the OID amount in box 1.

Box 5: Market discount.

This applies to covered obligations with OID that were purchased for less than their stated redemption price. Market discount is the difference between the obligation's redemption price and the purchase price that must be included in income for the tax year. Market discount is calculated on a constant yield basis unless written notification was provided to waive this method of reporting.

Box 6: Acquisition premium.

This applies to covered obligations purchased for more than their stated redemption price. Acquisition premium is the difference between the obligation's redemption price and the purchase price that is allocable to interest income for the tax year. Acquisition premium is calculated using a straight-line method unless written notification was provided to waive this method of reporting. For information about reporting acquisition premium, see the instructions for Form 1040 (Schedule B).

Box 7: Security description and CUSIP.

This box shows the security name and CUSIP number for the security.

Box 8: Original issue discount on US Treasury obligations.

This box shows the OID on a US Treasury obligation for the part of the year that you owned it. There may, however, be factors such as obligation type, acquisition date, issue date, or acquisition price that may affect the amount of OID that is reportable. For details about how to determine the reportable OID amount, see IRS Publication 1212: Guide to Original Issue Discount (OID) Instruments.

Box 9: Investment expenses.

This box shows your share of expenses from certain regulated investment companies, such as non-publicly traded mutual funds, REITS, and other non-publicly traded investment companies. This box does *not* report trading commissions or margin interest. See "Investment Expenses" in IRS Publication 550: Investment Income and Expenses.

Box 10: Bond premium.

This applies to covered bonds purchased for more than their stated redemption price. Bond premium is the difference between the obligation's redemption price and the purchase price that is allocable to interest income for the tax year. Bond premium is calculated using a straight-line method unless written notification was provided to waive this method of reporting. For information about reporting bond premium, see the instructions for Form 1040 (Schedule B).

Box 11: Tax-exempt OID.

This box shows the OID on covered tax-exempt obligations for the part of the year that you owned them. For details about tax-exempt OID, see IRS Publication 1212: Guide to Original Issue Discount (OID) Instruments.



E*TRADE Securities LLC and its affiliates do not provide tax advice, and you should always consult your own tax advisor regarding your personal circumstances before taking any action that may have tax consequences.

The forms and statements shown are for illustrative purposes only.

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