

SEAN SCANLON
STATE COMPTROLLER

TARA DOWNES
DEPUTY COMPTROLLER



STATE OF CONNECTICUT
OFFICE of the STATE COMPTROLLER
165 Capitol Ave.
Hartford, CT 06106

MEMORANDUM NO. 2023-03

January 10, 2023

TO THE HEADS OF ALL AGENCIES

Attention: Chief Administrative Officers, Fiscal Officers and Business Managers

Subject: IRS Form 1098-F – Fines, Penalties, and Other Amounts

I. PURPOSE

The Internal Revenue Service (IRS) has issued a reporting requirement for State Agencies who issue suits, orders, fines, penalties, or agreements from legal actions to responsible parties with an **aggregate amount of \$50,000 or greater**, that become **binding on or after January 1, 2022**. For more information on this topic see [Instructions for Form 1098-F \(Rev. January 2022\) \(irs.gov\)](#).

II. GENERAL INFORMATION

The Office of the State Comptroller (OSC), in consultation with the Office of the Attorney General, has developed a process for compliance with this regulation. Each agency that has the authority to issue such fines or penalties will be required to furnish the necessary information to OSC. OSC will accumulate the information, issue the 1098-F forms to the fined party on behalf of the issuing agency, and report the required information to the IRS.

III. PROCEDURES

- a. OSC Central Accounts Payable will provide the agencies with the 1098-F Reporting Information spreadsheet, W-9 form, and instructions.
- b. Agencies will handle all steps within the suit, order, penalty, fine and other amount “settlement” phase including having the respondent fill out a W-9 and submit.
- c. Agencies must fill out and send the 1098-F Reporting Information spreadsheet back to osc.1099@ct.gov by the following due dates March 31st, June 30th, September 30th, November 30th, and December 31st.
- d. OSC will issue the 1098-F form to the fined party, create the e-file, and submit all records to the IRS by January 31st.

IV. QUESTIONS

Please direct any questions to the Central Accounts Payable Division – Special Processing at osc.1099@ct.gov.

DocuSigned by:
Sean Scanlon
03479587B0B543C...
SEAN SCANLON
STATE COMPTROLLER