What's New for 2019?

IRS Form 1099 Changes
On Form 1099-B, the IRS has moved the “covered” indicator (basis reported to IRS) to Box 12, moved the proceeds from collectibles indicator to Box 3, and added a proceeds from QOF indicator to Box 3. Be sure to read all box titles carefully and refer to 1099 Instructions to Recipients.

Investment Advisory Program Fees
If you paid account management fees to Edward Jones in 2019, you may be able to deduct those fees from income on your state income tax return. Please consult your tax professional. If needed, your financial advisor can provide a fee report upon request. The amount of fees you paid is not included with this document.

Common Questions
I have a joint account with another person, and the 1099 was issued to me. Can Edward Jones issue a 1099 to the other person for his/her portion of the income?

On various occasions a client may receive income in an Edward Jones account that may need to be reported to another taxpayer. This usually occurs when:

• Non-married joint tenants contributed to an account
• Securities belonging to someone else were sold in an account for convenience
• Assets were transferred to heirs after income was received in the deceased person’s account

In order to report the income to the other parties, the primary account holder may need to issue a Form 1099 to the owner of the income, usually the other joint tenant. This is called nominee reporting. Please consult your tax professional for assistance with nominee reporting.

How to deposit your tax refund into your Edward Jones account
Follow the instructions for Form 1040, lines 21a, b, c and d. Use the routing number 071000152 (The Northern Trust Co.) and your Edward Jones account number (999 plus your 10-digit account number). Contact your local Edward Jones branch office with questions regarding direct deposit and for instructions on how to deposit your federal government distributions (e.g., Social Security or federal pay) directly into your Edward Jones account.

Does the “consolidated” tax statement have all my tax information from all my Edward Jones accounts?
No. You may receive a separate Consolidated 1099 Tax Statement for each taxable brokerage account with income of $10 or more. The word “consolidated” means we have provided all Forms 1099 and supplemental information for one account in one Consolidated 1099 Tax Statement.

Can I import my tax data into tax software?
If you are enrolled in Edward Jones Online Access you can import your Edward Jones tax information into your Turbo Tax® software using the import feature. Download options for other tax preparation software are also available via Online Access. Edward Jones associates do not provide support for tax preparation software. Contact the software provider for assistance.

Securely share your tax forms electronically
You can quickly and easily share your tax forms with your tax professional from within Online Access or by contacting your local branch. Log in to Online Access to get started, visit www.edwardjones.com/taxcenter to learn more, or contact us at 800-282-0829 for assistance.

If you have questions regarding:

Your Consolidated 1099 Tax Statement:
Visit www.edwardjones.com/taxcenter or contact Edward Jones at 800-282-0829:
• Mid-January through April 15 – Monday through Friday, 7 a.m. to 7 p.m. Central time, and Saturday, 8 a.m. to 2 p.m. Central time
• April 16 through mid-October – Monday through Friday, 8 a.m. to 6 p.m. Central time

Your tax return:
Contact a tax professional, call the IRS at 800-829-1040 or visit www.irs.gov. If you are using tax preparation software, contact the software provider for assistance.

Investments:
Contact your Edward Jones financial advisor.
Common Questions: 1099-INT and 1099-DIV

**Do I need to report income if I reinvested it?**

Generally, income such as interest, dividends and capital gain distributions paid to your account is reportable even if you reinvested the income payments.

**Do I need to report tax-exempt interest and dividends?**

While tax-exempt income is generally not taxable at the federal level, it is reportable since it may impact the amount of Social Security benefits subject to tax, and/or may affect whether you are subject to Alternative Minimum Tax (AMT). The income may be subject to income tax at the state and local level.

**Can I recoup foreign tax withheld from my account?**

You may be able to claim a credit or take a deduction for the amounts of foreign tax paid (Box 6 on Form 1099-INT and/or Box 7 on Form 1099-DIV). For amounts withheld in excess of the foreign tax withholding treaty rate, you may need to contact the foreign taxing authority to request a refund.

Tax preparation software may ask for the amount of foreign dividends received. You can find “Foreign Dividends Received/Foreign Sourced Income” in the Additional Tax Information section of the Consolidated 1099 Tax Statement.

**What is a Qualified Dividend?**

Certain dividend income may qualify for the reduced qualified dividend and long-term capital gains tax rate:

- Dividends from equities, traditional preferred stocks, and foreign stocks that trade on a U.S. exchange
- Generally, stock-fund dividends are qualified, bond-fund dividends are nonqualified, and balanced fund dividends are part qualified and part non-qualified.
What is a capital gain distribution from a mutual fund?
Capital gain distributions are generally made when a mutual fund manager sells securities within the fund portfolio and realizes an annual net gain. Long-term capital gain distributions are reported on Form 1099-DIV in Box 2a, Total Capital Gain Distributions, and qualify for a reduced tax rate, while short-term capital gain distributions are included as part of the total in Box 1a, Total Ordinary Dividends. Whether a gain is long-term or short-term is determined by the amount of time the fund portfolio held the securities sold, not by how long the individual held shares of the mutual fund.

Form 1099-B
Brokerage firms generally use Form 1099-B to report the sale, redemption or exchange of securities such as stocks, mutual funds, bonds, CDs, and debt instruments. This form also lists proceeds from sales of fractional shares. Cost basis for shares covered by IRS reporting regulations is included and reported to the IRS on Form 1099-B. If available, cost basis for non-covered shares is included on Form 1099-B, but is not reported to the IRS.

Common Questions: 1099-B

How do I report sales and exchanges?
For each security sold, redeemed or exchanged, you may be required to provide certain information relating to the disposition of the security, including the date acquired, date of sale or exchange, quantity, proceeds, cost basis and gain/loss. Generally, this information should be reported on Form 8949 and Form 1040, Schedule D. It’s important to note that you may need to report the activity even if you did not realize a gain or loss from the sale, redemption or exchange listed on Form 1099-B. Refer to the form instructions for details.

What is cost basis?
The cost basis of an investment is usually the amount you paid for it, including any commissions, fees, reinvestments and original issue discount (OID). It also may include adjustments for sales, principal returns, mergers, splits and spin-offs.

How does Edward Jones determine my cost basis?
For equities and fixed income securities, Edward Jones uses the first-in, first-out cost method unless specific shares were identified at the time of the sale. Unless specified, shares missing cost basis are sold first per IRS requirements.
For domestic open-end mutual funds, Edward Jones uses the average cost method to calculate cost basis. Separate averages are calculated for covered and non-covered shares.

**What do covered and non-covered mean?**
Cost basis regulations require Edward Jones to report cost basis to the IRS when securities “covered” by the regulations are sold. Cost basis is not reported to the IRS for “non-covered” securities. Covered securities are those purchased beginning in:

- **2011:** Stock shares not in a dividend reinvestment plan
- **2012:** Mutual fund shares and stock shares purchased through a dividend reinvestment plan
- **2014:** “Less complex” fixed income securities, which generally are those with a determinable yield
- **2016:** “More complex” fixed income securities, which generally are those without a determinable yield

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**Form 1099-MISC**
Lists reportable income, such as royalty trust payments and contract adjustment payments. Royalty trusts will typically issue a royalty trust booklet that explains the tax adjustments and instructions needed to report the income. Your royalty trust booklet may not be available or mailed by the issuer until April. Some royalty trust booklets may be found online at www.mytaxhandbook.com. Consult your tax professional about reporting royalty trust income and when to file your tax return.

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**Form 1099-OID**
Original Issue Discount (OID) is the excess of an obligation’s stated redemption price at maturity over its issue price. OID on a taxable obligation is taxable as interest over the life of the obligation. The taxable amount for the year is reported on Form 1099-OID and should be reported on Form 1040, Schedule B. Tax-exempt OID from municipal securities is also reported on Form 1099-OID and should be reported on Form 1040, Line 2a in the same manner as tax-exempt interest reported on Form 1099-INT or exempt-interest dividends reported on Form 1099-DIV.
Supplemental Information not reported to the IRS

Your Consolidated 1099 Tax Statement may contain one or more of the following supplemental information sections. The information in these sections is provided to help you and your tax professional prepare your federal and state tax returns, but the information is not sent to the IRS:

- **Summary of Investment Income (SII):** Shows income details for your account for the tax year. Income payments may be split between income types and reported in different boxes on your 1099 forms.

- **Additional Tax Information (ATI):** Provides the amounts of income that are potentially excludable from income on your state income tax return.

- **Supplemental Information:** Shows the income earned and payments received during the timeframe you held a collateralized mortgage obligation (CMO) during the tax year.

- **Supplemental Information for Fixed Income Securities:** Provides adjustments made to income such as bond premium amortization, market discount accretion and/or acquisition premium amortization. Also provides original issue discount (OID) for non-covered tax-exempt bonds.

**IRS forms you may need to report your income**

- Form 1040, Schedule B - Interest and Ordinary Dividends
- Form 1040, Schedule D - Capital Gains and Losses
- Form 8949 - Sales and Other Dispositions of Capital Assets

Edward Jones, its employees and financial advisors cannot provide tax or legal advice. You should consult your attorney or qualified tax advisor regarding your situation. This content should not be depended upon for other than broadly informational purposes. Specific questions should be referred to a qualified tax professional. Please visit www.irs.gov for the most current forms, instructions and other information.