

# Import Your Brokerage Tax Information into H&R Block<sup>®</sup> Online and Software

If you use H&R Block<sup>®</sup> online or desktop software to prepare your tax return, you can likely import certain information directly from your year-end tax form. This data import function is available at no additional charge. It can save time and reduce data entry errors.

## What Information You Can Import

While you can't import all your National Financial Services (NFS) information directly, you can import some of the most useful information needed to prepare your tax return. The account types and specific information available for download are:

- Brokerage and other nonretirement accounts: 1099 and other cost basis information
- Individual retirement accounts (such as IRAs): 1099-R distribution information

## When to Import Your Information

Most customers will be able to import their tax information from NFS beginning on or about January 31, 2024. It's important to **wait until you have received the corresponding tax reporting statement** from National Financial Services, either by mail or eDelivery, before you import the information into H&R Block. This will allow you to compare the information to the official forms to ensure that you have complete information for your return. It also allows you to make any adjustments that might be necessary.

## For Active Traders and Very High Incomes

With H&R Block desktop software, there is a limit to the number of transactions that can be imported into a return. If you attempt to import more than 500 transactions (250 for some types), the program may not import all the data. You may want to use the H&R Block online program if you have more than 250 transactions reported by National Financial Services. Though there is no limit to the number of financial transactions that can be imported into an online return, attempting to import more than 500 transactions may cause a lag, timeout, or even cause an on-screen error ("We lost the connection with your provider. Check your internet connection and try your import again").

In addition, H&R Block limits the number of digits in any entry field to nine, including commas. The largest number accepted is 9,999,999 (seven digits and two commas). Please review your return if you receive an error message while importing.

## **Nonretirement Accounts, Including Brokerage**

If you have an NFS brokerage or other nonretirement account, you may be able to import your 1099 and other cost basis information directly into H&R Block.

### **Specific Statement Information You Can Import:**

- 1099-DIV Dividends and Distributions
- 1099-INT Interest Income
- 1099-MISC Miscellaneous Income
- 1099-B Proceeds from Broker and Barter Exchange Transactions
- 1099-OID Original Issue Discount

**Note:** Data imported from certain forms may need to be further adjusted (details below).

### **When this Tax Information Will Be Available**

All direct imports of information should be conducted only when you have received the corresponding statement from NFS by mail or eDelivery.

The IRS mailing deadline for NFS 2023 consolidated (1099) tax reporting statements is February 15, 2024. An extension filed by Fidelity allows additional time for receipt of final tax information from issuers; potentially reducing corrected tax forms. NFS will mail or send an eDelivery notification of all 2023 (1099) tax forms to account holders beginning in January, and through mid-March, of 2024.

### **How to Import Your Information**

Once you receive your 1099 statement by mail or through eDelivery, have it available to verify the imported information. Follow these simple steps:

1. Enter your Investor360<sup>®</sup> ID and then your password. When asked where to import information from, select Investor360<sup>®</sup>. The tax information available for each of the accounts associated with your ID should appear.
2. Review the account numbers listed next to each tax form. The information from these tax forms is available for you to import from Investor360<sup>®</sup>. Only your nonretirement and retirement accounts will be included in this list, as well as accounts that you have access to on [www.Investor360.net](http://www.Investor360.net) using your login ID and password.
3. Select the nonretirement accounts from which you wish to import tax information and follow the instructions in H&R Block.

Once imported, H&R Block products should help you:

- a. Report the information on certain sections of the federal income tax return(s) you prepare automatically using H&R Block, or
- b. Determine how the information should be reported on the federal income tax return(s) you prepare using H&R Block.

4. If you are missing accounts in your login ID, your financial representative can assist you in assigning additional accounts to your login ID. After adding missing accounts, you will need to repeat this process to import account tax information from accounts that were not previously linked to your Investor360° login ID.
5. Before filing your tax return, compare all the information you imported and reported on your tax return carefully against the official tax forms that NFS made available to you via eDelivery or by mail. Make sure all items on those forms have been appropriately accounted for and adjusted as necessary based on your individual tax situation.

## About the Imported Data

This import is not a substitute for your Form(s) 1099 tax statement. The import containing your tax information is based on information known to NFS. In certain instances, the imported data may not reflect all the information needed for tax reporting. You may be required to modify, delete, or otherwise act upon some or all of the information that you import from NFS. For example, certain information will be imported but will require that you choose how it should be accounted for on your federal income tax return. You may also need to make further adjustments for other events or items not tracked by NFS.

The tax information import function downloads information from NFS into your H&R Block return and does not always place that information directly into the federal income tax return. It is essential that you complete the review processes (see Step 3 above) contained within H&R Block in their entirety to ensure that you report all NFS information correctly to the IRS.

Additionally, be sure to verify the information that you import against your own records to ensure accurate and complete reporting of all required tax information on your federal income tax return. Although NFS is providing the tax-information import as a courtesy service, NFS does not guarantee that the information provided is entirely sufficient or accurate for tax-reporting purposes, and NFS is not liable for your reliance on, and use of, the import feature.

If you have specific questions regarding the preparation of your tax return, contact your tax advisor or the IRS.

## Notes About Importing Specific Data

Other specific information that may be useful to some filers:

- **Call-option transactions.** If you wrote (sold) a call option during 2023, the sale proceeds will be included in the data imported into your H&R Block return. If the option was open as of December 31, 2023, you may need to edit the imported data to compute your tax liability properly.
- **Cost basis for contingent debt instruments.** For contingent debt instruments, your H&R Block import does not display certain adjustments to estimated cost basis and the associated gains and losses, including adjustments for premium, acquisition premium or discount, or accreted Original Issue Discount (OID), as it might for other fixed-income instruments. For transactions involving contingent debt instruments, you will need to refer to your tax reporting statement and/or your own cost records to complete your tax return.

- **Cost basis for other fixed-income instruments.** Estimated adjusted cost basis and associated gains and losses displayed in your tax reporting statement and imported into your H&R Block return may not reflect all adjustments necessary for tax-reporting purposes and may also not apply if you are using an amortization calculation method that differs from the one NFS uses. You should verify the adjusted cost basis and associated gain/loss information provided by NFS against your own records when determining the proper amounts to use for tax-reporting purposes. Consult your tax advisor and/or refer to IRS Publication 550, *Investment Income and Expenses*, for additional information.

You may also need to adjust the amount of original issue discount (OID) interest reported by NFS. Refer to IRS Publication 1212, *Guide to Original Issue Discount Instruments*, to determine the correct OID amount to report on your tax return.

Amortization, accretion, and similar adjustments to cost basis are not provided in your tax reporting statement (and are not imported into your H&R Block return) for certain fixed income securities, such as short-term instruments, unit investment trusts, foreign fixed income securities, or securities that are subject to early prepayment of principal (pay downs). For transactions relating to these securities, you will need to refer to your own records to complete your tax return.

- **Foreign fixed-income securities.** H&R Block does not import any cost basis or realized gain/loss information in a foreign currency for any fixed income security of which, according to NFS's records, you've made any purchase or sale in a currency other than USD. For these securities, you will need to refer to your tax statement and your own records to determine your cost basis and realized gain/loss. You will also need to refer to your own records to determine whether any of these securities is denominated in a currency other than USD or makes a payment calculated by reference to the value of a currency other than USD, and if so, what (if any) portion of your realized gain/loss is treated as ordinary income/loss. You will then need to input the appropriate information into the relevant section(s) of your tax return.
  - **Wash sales.** Be sure to refer to your tax reporting statement and your own records to confirm that all wash sales are reported and categorized appropriately on your tax return and any cost basis and holding period adjustments from prior wash sales are appropriately recorded in your tax records.
  - **Index option contracts.** H&R Block desktop software supports Section 1256 contracts and straddles (Form 6781) but requires the user to go to whole-form mode and make manual entries. No assistance is offered beyond what is on the form layout itself.

## More Help Understanding Your Statement Information

You may also wish to consult IRS Publication 550, *Investment Income and Expenses*.

## IRA Distributions (1099-R)

If you took a distribution from a National Financial Services retirement account (such as a traditional or Roth IRA), you may be able to import your 1099-R information directly into H&R Block.

## **When this Tax Information Will Be Available**

All direct imports of information should be conducted only when you have received the 1099-R from National Financial Services by mail or eDelivery.

The IRS mailing deadline for 1099-R statements is January 31. National Financial Services will mail or send an eDelivery notice of all 2023 1099-R tax forms by January 19, 2024.

## **How to Import Your Information**

Once you receive your 1099-R statement by mail or through eDelivery, have it available to verify the imported information. Follow these simple steps:

1. Under Retirement Plans and Social Security in H&R Block, choose IRA, 401(k), Pension Plan Withdrawals (1099-R). When asked where to import information from, select Investor360° and enter the same information that you use to log on to [www.Investor360.net](http://www.Investor360.net). The tax information available for each of the accounts associated with your ID should appear.
2. Review the account numbers listed next to each tax form. The information from these tax forms is available for you to import from Investor360°. Nonretirement and retirement accounts will be included in this list, as well as accounts that you have access to on [www.Investor360.net](http://www.Investor360.net) using your login ID and password.
3. Select the IRAs from which you wish to import tax information and follow the instructions in H&R Block.

Once imported, H&R Block products should help you:

- a. Report the information on certain sections of the federal income tax return(s) you prepare automatically using H&R Block, or
  - b. Determine how the information should be reported on the federal income tax return(s) you prepare using H&R Block.
4. If you are missing accounts in your login ID, your financial representative can assist you in assigning additional accounts to your login ID. After adding missing accounts, you will need to repeat this process to import account tax information from accounts that were not previously linked to your Investor360° login ID.

Before filing your tax return, compare all the information you imported and reported on your tax return carefully against the official tax forms that National Financial Services made available to you via eDelivery or by mail. Make sure all items on those forms have been appropriately accounted for and adjusted as necessary based on your individual tax situation.

## **About the Imported Data**

This import is not a substitute for your Form 1099-R tax statement(s). The import containing your tax information is based on information known to NFS, or in some instances, information you have provided to NFS. In certain instances, the imported data may not reflect all the

information needed for tax reporting. You may be required to modify, delete, or otherwise act on some or all of the information that you import from NFS. For example, certain information will be imported but will require that you choose how it should be accounted for on your federal income tax return.

The tax information import function downloads information from NFS into your H&R Block return and does not always place that information directly into the federal income tax return. It is essential that you complete the review processes (in Step 3 above) contained within H&R Block in their entirety to ensure that you report all NFS information correctly to the IRS.

Additionally, be sure to verify the information that you import against your own records to ensure accurate and complete reporting of all required tax information on your federal income tax return. Although NFS is providing the tax information import as a courtesy service, NFS does not guarantee that the information provided is entirely sufficient or accurate for tax reporting purposes, and NFS is not liable for your reliance on, and use of, the import feature.

If you have specific questions regarding the preparation of your tax return, contact your tax advisor or the IRS.

You may also refer to the IRS instructions on the back of 1099-R for additional information regarding this tax form. These instructions are also available by selecting Info when viewing your form online.

## **Disclosures**

### **H&R Block**

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