



Investor Edition

# 2025-2026 Tax Season Guide

# Introduction

Tax season is approaching and being prepared is the best way to make this tax season your easiest yet. In this document you will find important information and tools to help you get ready. As always, meeting with your financial professional early and often will ensure that all your questions are answered, so reach out to them today. We look forward to working with you this tax season!

## **Tax Season at a glance**

Tax document mailing dates vary depending on the types of accounts and investments you own. 1099 consolidated tax statements are mailed in multiple waves to meet all IRS deadlines, reduce errors, and reduce the need to mail corrected versions.

LPL Financial follows all standard protocols and execute processes like other financial services companies by issuing 1099s in waves, shortly after receiving final income reclassification announcements from various security issuers. Starting January 17, account holders will start receiving their 1099 consolidated Tax Statement. In general:

- Accounts with income not subject to reclassification will be issued beginning January 17.
- Accounts with income subject to reclassification will be issued beginning February 14.
- Accounts with income from Original Issue Discount (OID), Widely Held Mortgage Trust (WHMT), Widely Held Fixed Investment Trust (WHFIT), and Real Estate Mortgage Investment Conduit (REMIC) securities will be issued beginning late February or early March.

## **Transferred Accounts**

If your account was transferred to , your tax statement will only include activity during the time you conducted business with us. Your former financial organization should provide tax statements for activity that occurred before your account was transferred.

# Income Reclassification

Income reclassification refers to changes made by security issuers (like mutual funds, REITs, or ETFs) to the tax treatment of distributions after the end of the calendar year. These changes can significantly impact how your income is reported on their 1099 tax forms.

Issuers may initially classify distributions (e.g., dividends, interest, capital gains) based on estimates. After year-end, they finalize the actual tax treatment—sometimes reclassifying a portion of a dividend as a return of capital or recharacterizing capital gains.

The IRS requires final income reclassification to be reported to clients on Form 1099. Here's how income reclassification can affect you:

- A dividend reclassified as a return of capital reduces taxable income and may adjust the cost basis of the investment.
- A qualified dividend reclassified as ordinary income could increase tax liability.

For clients holding positions subject to Income Reclassification, it may be beneficial to meet your financial professional and Tax Professional to review anticipated tax form arrival dates and the overall filing schedule.

You may want to consult with a tax professional to consider filing an extension to avoid needing to amend returns due to late reclassifications.

## Helpful Tip

You can opt into paperless delivery for tax statements, including the 1099 Consolidated Tax Statement, through Account View. You will have faster access and receive an email notification as soon as the tax statement is available—often earlier than mailed copies. Reach out to your financial professional to sign up for Account View or if you have any questions.

To accommodate income reclassification and delayed reporting for accounts, other financial services companies, including , generally extend the issue date to March by requesting a 30-day extension of time with the IRS. A 30-day extension is requested from the IRS to permit the generation of some 1099 tax forms after February 15. An extension reduces the need to send a corrected form.

If your final tax reporting information (1099 Consolidated) is expected beyond February 15, a “preliminary” tax statement will be available in Account View by February 14. This form provides a single view of your current tax information to assist in determining early tax liability. Securities pending 1099 reporting will be provided on a “waiting for data page” within the preliminary 1099 statement. These statements are not mailed, only viewable Account View. The statements are for informational purposes only and may assist clients and their Tax Professional in preparations but should not be considered final.

For clients not utilizing eDelivery, forms are mailed within five business days of posting online. If you are signed up for paperless Tax statements, you will receive an email.

# 2026 Tax Mailing Schedule

Form Name	Available Online Date	Mailed by Date
<b>1099 Consolidated Tax Statement</b>	<p><b>January 17 (Saturday) &amp; January 31 (Saturday)</b>            Accounts with the simplest tax information and not subject to income reclassification.</p> <p><b>February 14 (Saturday):</b>            Accounts holding more complex securities, for which issuers provided final tax information after January.</p> <p><b>February 28 (Saturday) &amp; March 11 (Wednesday):</b>            Accounts where security issuers did not furnish tax information to LPL Financial in time for the anticipated February mailing deadline</p>	<p><b>January 23 &amp; February 6</b></p> <p><b>February 20</b></p> <p><b>March 6 &amp; March 16</b></p>
<b>Preliminary 1099 Consolidated Tax Statement</b>	<b>February 14 (Saturday):</b> Accounts that are still waiting on final income reclassification will receive an advanced draft copy, "Preliminary 1099 Consolidated Tax Statement" These will be available electronically only and not mailed.	
<b>1099-R/Q Tax Statement</b>	<b>January 17 (Saturday)</b>	<b>January 23</b>
<b>5498 – IRA</b>	<b>February 28 &amp; May 23</b>	<b>March 6 &amp; May 29</b>
<b>Foreign Accounts: 1042-S</b>		
<b>Schedule K-1</b>	K1 reports distributions from partnership securities. LPL Financial does not provide this form. This form should be delivered by the partnership administrator by April 15. Please note: Proceeds from the sale of partnership units are reported on the 1099-B section of the 1099 consolidated tax statement.	
<b>IRS Tax Filing deadline &amp; Extension request deadline is April 15.</b>		

# Important Information

## All Mortgage-Backed Income Reporting (AMBIR) Information For

AMBIR reporting will be included within the 1099 Consolidated Tax Statement.

REMICs and mortgage pools have a reporting deadline of March 15. As a result, will extend the mailing date of original 1099 Consolidated Tax Statements until a later mailing wave in March for clients who hold the below types of investments.

- Unit investment trusts organized as grantor trusts
- Royalty trusts
- Commodity trusts
- Holding company depositary receipt trusts
- Mortgage-backed pass-through pools

## Fixed-Income Cost Basis Elections

For covered debt instruments acquired on or after January 1, 2014, if fixed-income accounting method elections have not been provided to on or before December 31, 2025, it is assumed you intended to make the default elections with the IRS. We offer three alternative fixed income accounting method selections pertaining to covered debt instruments acquired by a taxpayer with:

- Amortize Bond Premium for taxable bonds.
- Current recognition of Market Discount in income.
- Accrue Market Discount using the Constant Yield method.

These elections must be furnished in writing. For more information, reach out to your Financial Professional.

## Import IRS publications

- [IRS Publication 551 - Basis of Assets:](#)
- [IRS Publication 550 -Investment Income Expenses.](#)
- [IRS Publication 1212 - Guide to Original Issue Discount \(OID\) Instruments.](#)
- [Publication 938 – Real Estate Mortgage Investment conduits \(REMIC's\) Reporting Information \(and other Collateralized Debt Obligations\)](#)

## Federal Income Tax withheld (Backup Withholding)

We are required by law to withhold 24% of federal income tax from all reportable dividends, interest and gross proceeds paid to certain U.S persons who fail to furnish a valid TIN or appropriate certifications (IRS form W-9). This is called Backup withholding. Note: California, Maine, Vermont, have backup withholding requirements for accounts that incur taxable events on a form 1099.

## Payer

LPL Financial is the designated payer for all transactions reported on your tax information statement. This name and Taxpayer Identification Number should be used wherever the payer's details are required on IRS forms related to the amounts shown in the statement. These details can be found on the Tax form.

# How to know if you should file an extension?

## How to know if you should file an extension?

It's always a good idea for you to maintain an open line of communication with your financial professional and your tax professional throughout the year to ensure the best tax strategy and outcomes for you. This dialogue will help you decide if filing an extension is the best course of action.

There are many reasons why filing an extension might make sense for you. For example, the volume of data or complexity of certain transactions inside or outside your account may require additional time to address. Also, if you're expecting to receive your 1099 in a later wave in March, it may be reasonable to consider filing an extension to allow sufficient time for your tax professional to accurately complete your tax return forms.

LPL Financial does not have a method to verify in advance which mailing wave your account(s) will fall under.

## What filing an extension accomplishes

Filing an extension grants additional time (six months) to submit a complete and accurate tax return. However, you'll still need to estimate whether you'll owe any taxes and pay that estimated balance by April 15.

Extending the return allows you and your tax professional more time to prepare and ensure filing of an accurate tax return. In many cases, you may still be waiting for additional information, such as your Schedule K-1 or corrected 1099s, to complete your tax return.

## Benefits of extending a tax return

Filing an extension allows additional time to file returns without penalty when you're waiting for missing information or tax documents (such as corrected 1099s).

**Please remember:** An extension provides additional time to file, but not additional time to pay. Penalties may be assessed if sufficient payment is not remitted with the extension. It's often less expensive (and easier) to file an extension rather than rushing to meet the deadline and having to amend the tax return later.

## Extensions and Audits

Extending will not increase the likelihood of being audited by the IRS. It's better to file an extension rather than to file a return that's incomplete or doesn't give you adequate time to review carefully before signing.

## Should I do anything differently if I'm filing an extension?

No, you should give your tax professional whatever information you have as early as possible or as soon as it becomes available. You should expect to pay any anticipated taxes owed by April 15. If you're required to make quarterly estimated tax payments, your first quarter estimated tax payment is still due April 15.

Your tax professional may recommend that you pay the balance due for last year and your first quarter estimated tax payment for this year with the extension. If you're anticipating a large refund, your tax professional will likely try to get the extended return done as soon as possible once all tax information is available.

# Common Questions:

## Why did I receive a 1099 Consolidated Tax Statement this year?

You received a 1099 this year because you received more than \$10 in taxable income this year in the form of dividend income, interest income, or proceeds from share sales income.

## Didn't I previously receive my 1099-C forms at the end of January? Why did it change?

The IRS recognized there wasn't sufficient time to make the necessary changes, verify the data, print the forms, and mail them by January 31, so the IRS filing deadline was changed from January 31 to February 15. Additionally, many brokers, including also request a 30-day filing extension which extends the filing date to March 15. However, for clients with the simplest holdings, LPL Financial will mail your 1099 Consolidated Tax Statement shortly after data is finalized, often before March 15.

## What Tax Preparation software is tax statements compatible with?

If you use TurboTax or H&R Block, you'll be able to import the information shown on your original or corrected 1099 tax information statement directly into the software. To upload your tax data into the software, you'll need your full 8-digit account and 11-digit Document ID listed on your tax statement. Forms will be available for download once your tax statement is available. We recommend you wait to download your tax statements until you have received all tax statements in the mail. For technical questions, please reach out to Turbo Tax or H&R Block.

## Why are there different mailings for 1099- Consolidated Tax Statements?

During tax season, will mail 1099 consolidated tax statements in multiple waves (like other major financial firms) to meet all IRS deadlines, reduce errors, and cut down on the need to mail corrected forms.

## Will I be able to import the cost basis information from the Realized Gains and Losses statement from Account View into TurboTax and/or H&R Block?

No. The cost basis data is imported into TurboTax from your 1099 Consolidated Tax Statement. To ensure accuracy, compare the data imported to data shown on your 1099 Consolidated Tax Statement.

## Corrected Forms: What do I need to know if I receive a corrected tax form in the mail?

After your original 1099 tax statement has been issued, delayed reporting and reclassification from security issuers can sometimes occur, which may result in you receiving corrected 1099 statement. The IRS requires that a corrected form be issued for any adjustments received from the security issuers after your original tax form is produced. Security types most likely to reclassify are:

- Regulated investment companies (mutual funds)
- Unit investment trusts (UITs)
- Real estate investment trusts (REITs)
- Widely held fixed investment trusts (WHFITs)

There is not an IRS cutoff or deadline for providing corrected 1099 forms. If you need to file an amended tax return, it's recommended that you discuss the situation with your tax professional prior to refiling so they can determine the best course of action based on your individual circumstances.

For help answering tax season questions and finding additional saving opportunities, contact your financial professional.

# General Information on Qualified Accounts

Qualified accounts, commonly called retirement accounts, receive certain tax advantages as part of an education savings plan, an IRA, 401(k) or other type of retirement plan. For these types of accounts, we generally issue tax documents such as:

- Form 1099-R (Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.)
- Form 1099-Q (Payments From Qualified Education Programs (Under Sections 529 and 530))
- Form 5498 (IRA Contribution Information)
- Form 5498-ESA (Coverdell ESA Contribution Information)

## 5498-IRA Tax Statement

This form reports the contributions, rollovers, and other relevant tax information for traditional, Roth, SEP, and SIMPLE IRAs. For traditional and Roth IRAs, the 5498 form reports information for the prior tax year. For SEP and SIMPLE IRAs, the 5498 form reports information for the calendar year in which the transactions were made. In most cases, you would receive this form only if they contributed or completed a rollover for the reported tax year.

Form 5498 is for informational purposes only and are not required to file with your tax return. The IRS deadline for issuing Form 5498 is May 31. This deadline considers that contributions to IRAs may be applied toward the prior tax year, provided that the contribution is made by the filing deadline (without extensions) for that year's income tax returns, which is generally April 15 of the following year.

mails Form 5498 in 2 waves; for you to receive a 5498 in the earlier wave, you must have reached the maximum contribution limit in the previous tax year by early February.

## Fair Market Value

You will receive your End of Year Fair Market Value report as a part of the December account statement.

## Coverdell Education Savings account (ESA)

Coverdell ESA contributions will be reported on IRS form 5498-ESA and distribution will be reported on IRS form 1099-Q. Coverdell ESA contributions will be reported on IRS form 5498-ESA and distribution will be reported on IRS form 1099-Q.

For more information visit: [Instructions for Form 5498-ESA](#)

## 1099-R Tax Statement

Form 1099-R is used to report distributions from Traditional IRA, SEP, SIMPLE and ROTH IRA plans and other retirement plans. Depending on the transactions, you will receive one 1099-R, reporting aggregate distribution information with the same distribution code, for each code based on transactions.

You will receive a separate 1099-R if some of the distributions had state income tax withheld and other distributions did not. You will also receive a separate Form 1099-R for each state you had state income tax withheld for more than one state.

**Note:** In Box 2A, if is unable to figure out the amount in distributions you owe taxes on, we will put an X in the leftmost box. If you emptied a retirement account in a single year, there will be an X in the rightmost box within box 2b.

Whether the distributions reported on Form 1099-R are taxable depends on the type of account they came from and the nature of the distribution (for example, whether it was a standard or early distribution).

If you are unsure of their tax liability, please consult with a tax professional.

## Minimum Distribution amounts

is required to issue IRS form 1099-R for all distributions of \$10.00 or more from qualified accounts and report to the IRS. you may also receive a 1099-R if you rolled retirement funds from one account to another, including Roth conversions and backdoor Roths, made excess contributions to an IRA or 401(k).

For More information visit: [Instructions for Forms 1099-R and 5498](#)

## Qualified Charitable Distribution (QCD)

A Qualified Charitable Distribution (QCD) is a reportable distribution of funds from an IRA that is made directly payable to a qualified charity. QCDs may be used to satisfy the required minimum

distributions (RMDs) for the year, if certain rules are met. You should consult with a tax professional before initiating a QCD to ensure that the chosen charity is eligible.

### Reporting Requirements for QCDs on 1099-R:

The Internal Revenue Service (IRS) has introduced a new requirement for reporting QCDs on IRS Form 1099-R. Beginning in 2026, individual retirement account (IRA) custodians and trustees must include Code Y in Box 7 of Form 1099-R when reporting a distribution that is intended by the IRA owner to qualify as a QCD. This change is intended to enhance the accuracy of QCD reporting, streamline processing, and provide clearer documentation to both the IRS and the taxpayer.

**Note: For Tax Year 2025, the entry of code Y in box 7 is not required. LPL Financial, like most firms, will start coding for this in the 2026 tax year.**

# Corrected Tax Statements

Corrected Tax Statements will be delivered as needed. Tax Statements may be revised for any of the following reasons:

- Reclassified income
- Change to foreign tax withholding
- Adjusted income paid
- Cancelled trade or *as of* trades
- Updated OID rate
- Changed Taxpayer Identification Number (TIN)
- Adjusted cost basis information for a covered security transaction

If cost basis information is adjusted for covered securities transactions, it may result in a revised Tax Statement (1099-B). If cost basis information is adjusted for noncovered securities transactions, a revised Tax Statement will only be delivered upon request.

Brokers are required by the IRS to amend any 1099 tax form that has an adjustment greater than \$100.00.

## Tax Statement Correction Mailing Schedule (For 2025 Tax Year)

Correction Cycle	Available Online Date	Mailed by Date
1	2/28/2026	3/6/2026
2	3/14/2026	3/20/2026
3	3/28/2026	4/3/2026
4	4/9/2026	4/15/2026
5	7/11/2026	7/17/2026
6	10/3/2026	10/9/2026

This material was prepared by LPL Financial, LLC.

**Securities and advisory services offered through LPL Financial (LPL), a registered investment advisor and broker-dealer (member FINRA/SIPC). Insurance products are offered through LPL or its licensed affiliates. To the extent you are receiving investment advice from a separately registered independent investment advisor that is not an LPL affiliate, please note LPL makes no representation with respect to such entity.**

Tracking ID: 827518

Not Insured by FDIC/NCUA or Any Other Government Agency	Not Bank/Credit Union Guaranteed	Not Bank/Credit Union Deposits or Obligations	May Lose Value
---	----------------------------------	---	----------------