



Conformance Technologies TINMatch ToolKit™

Internal Revenue Service (IRS) merchant reporting requirements, as outlined in Section 6050W of the Internal Revenue Code (IRC), requires Form 1099-K to be filed annually for every merchant in your portfolio to report total gross sales for the calendar year. The business entity name as well as Taxpayer Identification Number (TIN) must match IRS records; otherwise you and your merchants can be penalized.

The TINMatch ToolKit solution reduces or eliminates the significant work effort of manually matching business entity names and TINs to IRS records for every merchant in your portfolio.

This automated process turns what is a tedious compliance activity into a potentially substantial annual revenue stream for your business. Further revenue can be derived by automatically importing mismatches into your billing system to drive non-compliance fees.

The Trouble with TIN Matching

Acquirers and ISOs can be penalized up to \$1.5 million for mismatched TIN or tax-filed business names on IRS 1099-K forms reporting merchant gross payment card sales.¹

Merchant cash flow can be disrupted while a mismatch is being resolved, reducing merchant deposits by 28 percent or more between federal and state withholding.

Acquirers and ISOs face the challenge that the slightest misspelling or formatting can prevent a match with IRS documents—thus they have to manually engage with every merchant to validate TINs and the business names their merchants use to file taxes with.

The longer matching is delayed; the consequences worsen for all involved parties. Failing to backup withhold merchant funds can lead to further penalties and assessed interest. Plus, merchants who have their funds “held back” tend to leave their ISO or acquirer immediately to see another provider.

TINMatch ToolKit Benefits

- Speeds up TIN and business entity name matching with IRS records
- Reduces acquirer, ISO and merchant penalties
- Decreases business disruption
- Creates a value-added service that generates revenues
- Establishes a “reasonable cause” defense to automatically waive penalties



Department of the Treasury
Internal Revenue Service

<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		OMB No. 1545-2205		Payment Card and Third Party Network Transactions
FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		FILER'S federal identification no.	2020	
PAYEE'S taxpayer identification no.		1a Gross amount of payment card/third party network transactions		
1b Card Not Present transactions		2 Merchant category code	Copy 1 For State Tax Department	
3 Number of payment transactions		4 Federal income tax withheld		
Check to indicate if FILER is a (an):		Check to indicate transactions reported are:		
Payment settlement entity (PSE) <input type="checkbox"/>		Payment card <input type="checkbox"/>		
Electronic Payment Facilitator (EPF)/Other third party <input type="checkbox"/>		Third party network <input type="checkbox"/>		
PAYEE'S name		5a January	5b February	
Street address (including apt. no.)		5c March	5d April	
		5e May	5f June	
		5g July	5h August	

¹ Source: IRS Publication 1586



To learn more about the TINMatch ToolKit and other sensitive data solutions built on the Conformance Compliance Operating System™, please call 775.336.5533 or visit conformancetech.com.