Year End Release Notes 2025

SHAZAM CORE SERVICES

Federal & State Filing Updates

1099 Form Updates

Auto Interest Updates

DECEMBER 10, 2025

CONTENTS

LIST OF ENHANCEMENTS

The following is a list of enhancements and other content included in this release.

FEDERAL & STATE FILING UPDATES

Enhancements have been made to update the Combined State and Federal Filing Program. The program will now include adding Oregon (State Code: 41) and removing Missouri (State Code: 29).

The **TXSTAT Parameter File** has been updated to reflect the new changes. When accessing the parameter file users will now see the Oregon state code and will not see the Missouri state code.

AUTO INTEREST UPDATES

A maximum annual deduction of $10,000 on auto loan interest is now available on all qualifying automobile loans made after December 31, 2024. To ensure your customers are able to take advantage of this credit, banks are now required to print interest paid notices for these automobiles.

According to the Public Law 119-21, in order to qualify for this new tax deduction, interest must be paid on loans meet the following:

- Originated after December 31, 2024
- Final assembly in the United States
- For a new Vehicle (used vehicles do not qualify)
- Personal Use vehicle (not for business or commercial use)
- Secured by a lien on the vehicle

NOTE: Deduction phases out for taxpayers with modified adjusted gross income over $100,000 ($200,000 for joint filers).

Please ensure that your **auto interest paid notices** for these qualifying automobiles are set to print for the 2025 tax year. If your bank is already printing interest paid notices for all customers there is no action for you to take, however if not you will need to flag your automobile loans that qualify for the tax credit.

If these auto loans are flagged to send the interest paid notice and the notice is printed after the first of the new year, the IRS requirement for this tax year is fulfilled.

> **IMPORTANT:** This does **NOT** qualify as 1098 interest. You cannot use 1098 flags and notices to satisfy this requirement.

You may also want to include an announcement directly on the interest notice issued to ensure your customers know to ask their tax representative about their qualifications for the tax credit. To learn more about how to customize these statements for your bank, please refer to the Compass XD - Notice Service Documentation Management located in SHAZAM Access > Core Resource.

For more information on the "No Tax on Car Loan Interest" please see IRS.gov .

1099 FORM UPDATES

Enhancements have been made to update the 1099 Q-Payee Record (Qualified Education Programs). A new reporting selection (**QTP to a Roth IRA tranfer**) has been added within the **Trustee/Trustee Transfer** field in the Special Data Entries accordion.

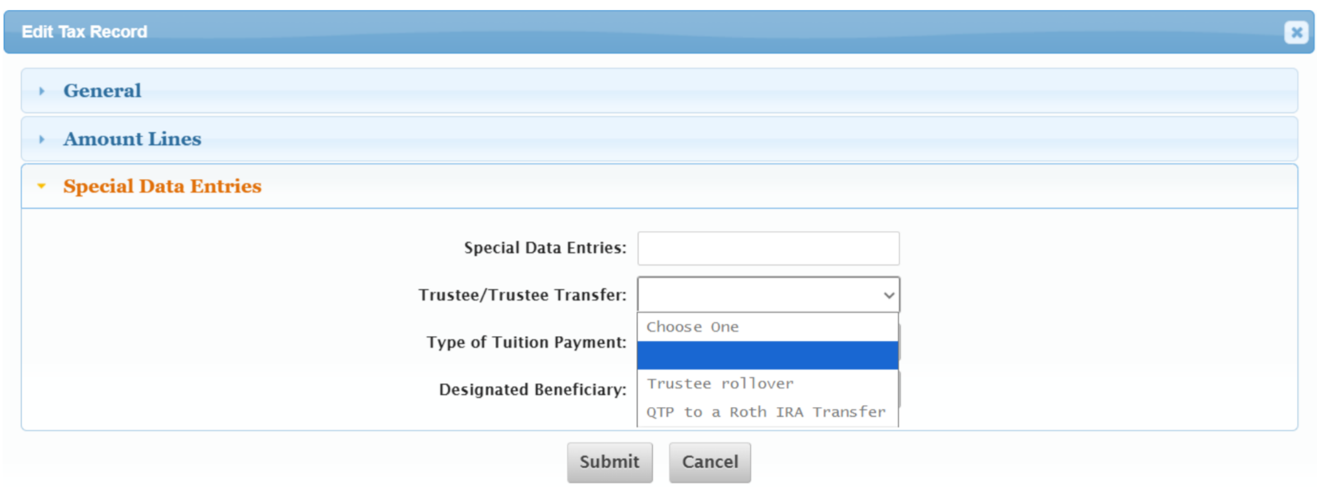

Figure 1: Trustee/Trustee Transfer Type

When the 1099-Q form is generated and the **QTP to Roth IRA transfer** is selected, the option will populate on the plain paper notice. The field will reflect the correct value (1, 2, or blank) based on the user's selection.

SCENARIOS:

If...	Then...
Trustee to Trustee A user needs to complete a 1099-Q form and they have accessed the Customer Inquiry > More > Tax Information screen and selected the 1099-Q form the type of return...	when the Special Data Entries accordion menu is expanded, the user will be able to select the new drop-down option **QTP to a Roth IRA transfer**. Any values entered will create a maintenance record.
Notice A user has completed the 1099-Q return type and have selected the new drop-down option **QTP to a Roth IRA transfer**and a plain paper notice is generated...	the selection will be printed on the notice.
Tax File A user has completed the 1099-Q return type and selected the new drop-down option **QTP to a Roth IRA transfer**	when the tax file is generated the selection will be in the tax file and in the correct position with the correct value.
Tax Information Menu A user needs to complete a 1099-Q form and have accessed they Tax Information module and selected a customer. If the 1099-Q form is selected and the Special Data Entries accordion menus is accessed...	the user is able to select the new drop-down option **QTP to a Roth IRA transfer** and any values entered create a record within the maintenance log.

GOLDEN PARACHUTE PAYMENTS

Golden Parachute payments can no longer be filed through the FIRE System. This includes current year and prior year payments. Golden Parachute payments must be filed using the Information Returns Intake System (IRIS) or on paper. Payments filed through the FIRE System that need to be corrected must be filed on paper.

The **1099-MISC** has been updated to remove the Golden Parachute payment field (box 14). The field has added to the **1099-NEC** (box 3).

Re: Miscellaneous Information
Form 1099-MISC
Copy B, for IRS if any money is withheld
Tax Year: «YEAR»

"This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported."

TIN: «TINFMT»
Account Number «ACCT» «PRTEXT»

1. Rents	
2. Royalties	
3. Other income	

12. Section 409A deferrals	«AMT42»
13. FATCA filing requirement:	☐
14.	
15. Nonqualified deferred compensation	«AMT53»
16 State tax withheld	«AMT54»
17. State / Payers state no.	«STAX»

Figure 2: 1099-MISC

Re: Nonemployee Compensation
Form 1099-NEC
Copy B, for IRS if any money is withheld
Tax Year: «YEAR»

"This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported."

You received this form instead of Form W-2 because the payer did not consider you an employee and did not withhold income tax or social security and Medicare tax. If you believe you are an employee and cannot get the payer to correct this form, report this amount on the line for "Wages, salaries, tips, etc." of Form 1040, 1040-SR, or 1040-NR.

TIN: «TINFMT»
Account Number «ACCT» «PRTEXT»

1. Nonemployee compensation	«AMT11»
2. Payer Made direct Sales totaling $5,000 or more of consumer products to recipient for resale	☐
3. Excess golden parachute payments	«AMT31»
4. Federal income tax withheld	**«AMT41»**
5. State tax withheld	«AMT51»
6. State/Payer's state no.	**«STAX»**
7. State income	«AMT13»

Bank telephone: «BNKFON»
Bank ID: «BBTIN»

Figure 3: 1099-NEC

BASE TEMPLATE UPDATES

IMPORTANT: This update is for **IN-HOUSE** Clients **ONLY**!

If you are an IN-HOUSE client, you will need to update the following base templates on your notice server.

- 1099-Q
- 1099-MISC
- 1099-NEC

These steps can be found in Core Resource > Year End Resource > Year End Notice Templates.

IRA STATEMENT DEFINITION

A new option has been added to the **Parameter Maintenance** > **Deposits** > **(DDISTM) IRA Statement Definition Lines**. Within the Payee "B" Record a **Y** has been added to Qualified Charitable Distribution (QCD)

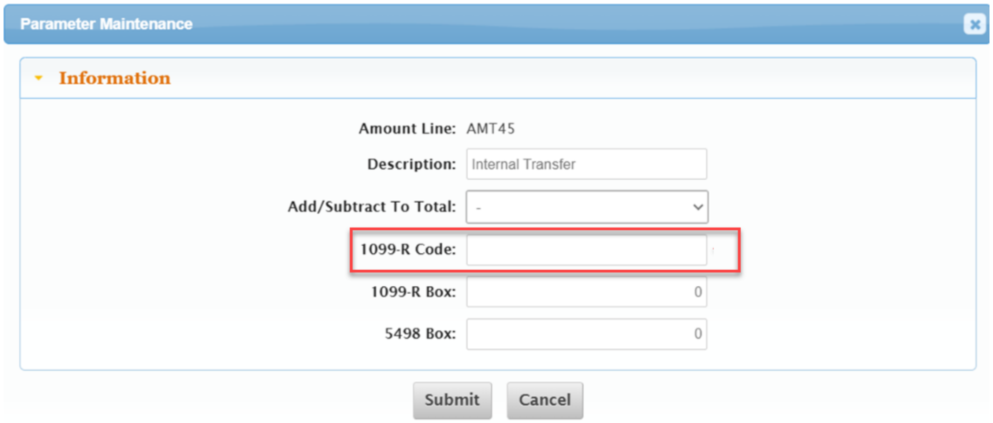

Figure 4: IRA Statement Definition

2025 YEAR END FAQ

This document provides answers to questions that were presented during the 2025 Year End Webinar.

Question	Answer
The IRS publications are different in the presentation and the checklist, what are the correct ones?	IRS Publication 1220 IRS Publication 1179
Where can we find the Tax Exhibit information	Year End Resource > Data Center Topics > Data Center Tax Exhibit
Is the Year End Checklist updated?	Yes
Will SHAZAM Core recognize that a 1099-INT needs to be produced for the new auto loan tax form?	If the loan has Send Int Paid Notice set to Y, a plain paper notice will be printed.
As a first time year end participant, do we need to clear out previously output data or will SHAZAM override the with the new data?	Yes, please clear any previously output data.
How do I access the Tax Exhibit forms to complete?	The Tax Exhibit is located in Compass XD > Tax Information > Tax Exhibit **NOTE:** This exhibit is for Data Center clients ONLY.
We are new SHAZAM Clients, where can we find a year end guide?	The Year End Resource is an all inclusive stop for all your year end questions. You can find the resource at SHAZAM Access > Core Resource > Year End Resource.
I think the vehicle loan interest is reported on a 1098-VLI. Is there a way to report eligible loans in Compass XD so that these are reported automatically with other 1099's?	For the 2025 tax year, if the loan has Send Int Paid Notice set to Y, a plain paper notice will be printed. There are more details for this in the Year End Release Notes for 2025.

CHANGE LOG

Refer to the table below for a summary of changes made to this document.

NOTE: Any data shown is for demonstration purposes only and does not represent actual SHAZAM client data.

Revision History

Date	Section and Description of change
December 10, 2025	New Document.