What a TIN Mismatch Notice Means and How to Respond

The basics of a TIN mismatch notice

When you file information returns such as 1099 forms, the IRS compares the name and taxpayer identification number (TIN) you provide against its own records. If the name and number do not match exactly, the IRS sends a TIN mismatch notice (often a CP2100 or CP2100A). This notice lists the payees whose information did not match and gives you a deadline to correct the issue.

Receiving a mismatch notice does not mean you are in trouble. It means the IRS could not match the TIN and name you submitted. You must respond by either confirming the information is correct or filing a corrected return with the right data. Ignoring the notice can lead to penalties for each mismatched form.



Why mismatches happen

Mismatches occur for several common reasons. A payee may have changed their name due to marriage or a legal name change and not updated their records with the IRS. A typo in the name or TIN is another frequent cause. Sometimes the payee uses a business name while the IRS expects an individual name, or vice versa. The IRS also uses a "name control" - a specific set of characters from the name - to match records, so even a small variation can trigger a mismatch.

Understanding the root cause helps you decide whether to correct the return or ask the payee to verify their information. The notice itself does not tell you which field is wrong, only that the combination did not match.

First steps after receiving a notice

Read the notice carefully. It will list each mismatched payee and the deadline to respond. Gather the information you have on file for those payees, including any W-9 forms they provided. Check your records for typos in the name or TIN. If the issue is a simple data entry error, the fix is straightforward.

If your records match what the payee gave you, contact the payee directly. Ask them to confirm their name and TIN as they appear on official IRS documents, such as their Social Security card or a CP575 notice for an employer identification number. You can also ask them to provide a new W-9 form. If the payee confirms the information is correct, the IRS may have outdated records. In that case, you can send a corrected return with the same data you already have, along with a note that the payee confirmed it.

If the payee gives you different information, update your records and file a corrected return. The corrected return is a new 1099 form marked as "corrected" in the appropriate box. The IRS expects the corrected data to match its records.

Filing a corrected return

The process for filing a corrected return depends on how you originally filed. If you e-filed, you can generally e-file the correction. If you filed on paper, you may need to mail a corrected paper form. The IRS gives you a specific window to respond to the notice, usually 30 to 45 days from the date of the notice. Meeting that deadline avoids penalties.

When you file a correction, include the payee's correct name and TIN as verified through a W-9 or other reliable source. The IRS will process the correction and close the mismatch case for that payee.

Penalties for ignoring mismatches

The IRS can assess a penalty of up to $290 per return for failing to provide a correct TIN, and the penalty increases if you do not correct the error after receiving a notice. These penalties add up quickly for businesses that file many 1099 forms. Responding to a mismatch notice promptly is the best way to avoid them.

Beyond financial penalties, unresolved mismatches can trigger further IRS scrutiny of your information returns. Keeping your records accurate from the start reduces the chance of receiving mismatch notices at all.



Using TIN matching to prevent problems

A practical way to reduce mismatch notices is to verify payee TINs before you file. The IRS offers a TIN matching service that lets you check name and TIN combinations against its database. By using this service before submitting your 1099 forms, you can catch mismatches early and ask the payee to correct their information. This kind of verification for accurate 1099s can save you time and expense later.

Many businesses also collect W-9 forms from every payee before issuing payments. A W-9 provides the name and TIN directly from the payee, and it includes the payee's certification that the information is correct. Keeping a current W-9 on file gives you a reliable source to compare against IRS records.

What to do if the payee does not respond

If you contact a payee and they do not respond or refuse to provide corrected information, you still have options. You can file a corrected return with the original information you have and include a statement explaining that the payee did not provide updated details. The IRS may still assess a penalty, but showing you made a good faith effort can help reduce it.

You can also use the IRS's backup withholding rules. If a payee fails to provide a correct TIN, you may be required to withhold a percentage of payments and send it to the IRS. This requirement is separate from the mismatch notice, but it can motivate payees to give you accurate information.

Keeping your records organized

Maintaining a system for tracking payee information is essential. Use a consistent process for collecting W-9 forms, verifying TINs before filing, and updating records when payees report changes. This kind of verification for accurate 1099s becomes part of your regular workflow rather than a reaction to a notice.

If you file many 1099 forms each year, consider using software that integrates TIN matching and W-9 collection. These tools can automate the verification process and flag potential mismatches before you submit returns. While no system is perfect, reducing errors at the source is the most efficient approach.

When you do receive a mismatch notice, treat it as an opportunity to clean up your records. Each correction you make improves the accuracy of your information returns and reduces the chance of future notices. The process may take some time, but it is straightforward once you know what steps to follow.

The key is to act quickly, communicate with your payees, and file corrected returns when needed. With a clear process and attention to detail, you can resolve TIN mismatch notices without unnecessary stress or cost.