

TAX LAW

INFORMATION MEMO

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Navigating the Shift from FIRE to IRIS – IRS Changes for Forms 1098, 1099 and other Information Return Filers

If your business files Form 1098, 1099 or other information returns with the Internal Revenue Service (“IRS”), a major shift is on the horizon. The IRS has recently announced the launch of its new Information Return Intake System (“IRIS”), which will go live in Nov. 2025 and replace the current Filing Information Returns Electronically (“FIRE”) platform. This shift will affect how businesses of all sizes file forms like 1099-MISC, 1099-NEC, 1099-K and 1098, among others. The shift in systems is not optional – and failing to prepare could result in missed deadlines, rejected filings or compliance issues.

Below are some common questions and answers related to this shift.

Who is impacted?

This change will apply to any taxpayer responsible for filing information returns with the IRS, including but not limited to Forms 1099-MISC, 1099-NEC, 1099-DIV, 1099-INT, 1099-K, 1098, 1098-T, 1042-S and other similar filings within the 1098 and 1099 series.

What is changing?

The IRS is replacing its current electronic filing system, FIRE, with a new web-based system, IRIS, intended to simplify and modernize the information return filing process. While IRIS is expected to be available for use beginning with tax year 2025 filings which are due in 2026, IRIS will be mandatory beginning with tax year 2026 filings which are due in 2027. In addition, as part of the IRS’ paperless processing initiative, paper filings will no longer be permitted, meaning that all information returns will eventually need to be filed within IRIS.

Taxpayers will have two filing options, depending on the number of information returns to be filed within IRIS:

1. Taxpayer Portal – Easy Online Filing. This option may be used for businesses or individuals filing less than 100 information returns. Taxpayers can manually enter data or upload a spreadsheet, and no special software is needed.
2. Application-to-Application (“A2A”) – Bulk Filing. This option is designed for businesses or individuals filing 100 or more information returns. Taxpayers can send data directly from their software to the IRS using an XML format. This option requires setup and testing, so early preparation is key.

When is this change effective?

- IRIS Launch: Nov. 2025
- FIRE System Retirement: Dec. 31, 2026
- Last Tax Year for FIRE: 2025 (filed no later than Dec. 31, 2026)
- First Tax Year for Mandatory IRIS: 2026 (filed in 2027)

Where will taxpayers be able to access IRIS?

Taxpayers are expected to be able to access IRIS through the IRS online platform. Depending on filing volume, taxpayers may be able to utilize assistance from a third-party provider. All users, including “Responsible Parties” and “Authorized Delegates,” must authenticate through their own individual ID.me accounts to then be able to access a company’s and/or their own IRIS accounts.

Why is the IRS changing the system?

According to the IRS, IRIS is intended to improve efficiency and accuracy: it allows for real-time data validation and corrections, stores filed forms, allows taxpayers to download and print recipient copies, request extensions and file certain corrected returns – and is a more modern, user-friendly system.

How can taxpayers prepare to use IRIS?

The transition to IRIS involves several steps and getting ahead of the process will help avoid delays or filing issues. We recommend taking the following steps as early as possible:

1. Determine filing volume. Taxpayers with less than 100 information returns should be able to use the Taxpayer Portal to file; however, taxpayers with 100 or more information returns will need to use the A2A modality for bulk filing.
2. Prepare for XML Filing. If expecting to use the A2A modality, begin data mapping and software integration. As XML is a specialized format, taxpayers may need assistance from a developer or service provider.
3. Register with the IRS. Taxpayers will need an EIN and an ID.me account. As part of the registration process, each business taxpayer must also designate at least two “Responsible Parties” and may assign up to two “Authorized Delegates” who are able to manage filings including third parties or service providers.
4. Apply for a New Transmitter Control Code (“TCC”). A new TTC that is specific to IRIS will be required, as legacy TCC codes from FIRE cannot be used. Taxpayers may need more than one TCC depending on role and filing method. During registration, taxpayers and individuals must select a role that reflects how they will interact with the system: an “Issuer” files forms for their own business using the same EIN registered with IRIS; a “Transmitter” files on behalf of other businesses or themselves using an SSN – only one role is needed if performing both functions; and a “Software Developer” builds or manages software that connects to the IRIS system but does not submit forms directly. The TCC application and approval process can take up to 45 days to complete.

If you have any questions or concerns related to the foregoing, please contact **Frank C. Mayer**, chair of Bond’s tax law practice group, **Jessica M. Blanchette**, **Lyndon E. Hall**, or the Bond attorney with whom you are regularly in contact.

