



Office of the State Controller

OFFICIAL MEMORANDUM

To: Chief Financial Officers

From: Anne Godwin, Deputy State Controller

Date: December 15, 2016

Subject: Revised Annual 1099 Processing for the North Carolina Accounting System

The final 1099 processing for the North Carolina Accounting System (NCAS) began in early December. Attached are the schedule and procedures for the NCAS 1099 documentation processing.

In an effort to combat fraud, the US Congress passed The Protecting Americans from Tax Hikes (PATH) Act of 2015. This act changed the deadline for electronic filing of 1099-MISC forms to January 31 when reporting non-employee compensation payments in box 7 beginning with the tax year 2016 filing. Because OSC files a single electronic file for all NCAS agencies, this new deadline affects all 1099s reported from NCAS.

The Office of the State Controller (OSC) has contacted the Internal Revenue Service (IRS) and learned that an extension can be filed in order to grant additional time for filing the 1099 electronic file for 2016. OSC will file a 30-day extension on behalf of all NCAS state agencies in order to grant additional time for 1099 corrections prior to submission of the 1099 electronic file to the IRS for calendar year 2016.

Please review the attached schedule which has been modified to reflect the critical activities that must be completed by your agency in order to meet this new timeline.

Finally, please note that beginning with tax year 2017 the new deadline for filing the 1099 electronic file with the IRS will be January 31.

If you have any questions regarding this change, please contact OSC Support Services at (919) 707-0795 or osc.support.services@osc.nc.gov.

Thank you.

Attachment

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