



Form 1099 Processing Procedures for Calendar Year 2019

Below are the revised time schedule and activities for this year's Form 1099 processing. All information, including any interest paid on tax exempt bonds, should have been recorded throughout the 2019 year by flagging invoices with the 1099 codes and reviewing the monthly 1099 reports. The end-of-year tasks should consist primarily of a final review of reports for errors and accuracy of data. To aid in this review process, the Office of the State Controller (OSC) will begin producing the 1099 reports on a daily basis starting **December 2, 2019**.

As indicated in the Form 1099 processing schedule, OSC will begin printing 1099 forms on **January 6, 2020**. To ensure accurate and prompt delivery, all forms will be printed and held at OSC until an agency representative picks up the forms. OSC will contact the agencies to pick up the 1099 forms the week of **January 6, 2020**. Regardless of the number of 1099 forms to be printed by OSC, agencies must pick up these forms no later than **January 17, 2020**. The deadline for issuing Form 1099 to recipients is **January 31, 2020**. **Each agency is responsible for placing their 1099 forms in the envelopes provided by OSC and mailing them.**

On **January 27, 2020**, OSC will be the only transmitter for filing 1099 data with the IRS. OSC will send one file with all the NCAS agencies' data to the IRS. Each agency will be reported under its own Federal ID number and is responsible for its data but is not responsible for filing. **There should be no direct reporting of original NCAS data by the agency to the IRS.** As in the past, all 1099 information that is not on NCAS will be the responsibility of the agency.

Due to an automatic waiver from the North Carolina Department of Revenue (NCDOR), it is **not** required for OSC to file the 1099-MISC data electronically for calendar year 2019 to NCDOR. It will be the responsibility of the individual state agencies to file any required 1099 information to NCDOR based on NCDOR requirements.

The following time schedule has been established to process 2019 calendar year 1099 information:

1099 PROCESSING SCHEDULE FOR CALENDAR YEAR 2019	
April 1-November 30, 2019	Review and correct monthly 1099 reports
December 1-31, 2019	Review 1099-1 Agency Contact List in XPTR for accuracy before 1099s are printed on January 6, 2020 (only the phone number will be printed on the 1099, names and extensions will not be shown on the forms).
December 2, 2019	OSC begins running 1099 reports daily.
December 31, 2019	The 2019 tax year reporting cycle ends.
January 3, 2020	This is the last day to make changes to 1099 data in NCAS prior to printing the 1099s.
January 6, 2020	OSC will print 1099 forms.
January 6-24, 2020	Agency can produce manual 1099 corrections and update NCAS for IRS electronic filing.
January 6, 2020	During this week, OSC will contact agencies to pick up 1099 forms from OSC.
January 17, 2020	Last day to pick-up 1099 forms from OSC.
January 7-24, 2020	Agencies will review 1099 forms.



January 24, 2020	This is the last day to make changes to 1099 data in NCAS prior to OSC submitting the 1099 data to the IRS.
January 25, 2020 and forward	Agency will produce manual 1099 corrections and manually report these to IRS.
January 27, 2020	OSC will send 1099 data electronically for filing with the IRS.
January 31, 2020	This is the due date for issuing 1099 forms to recipients.

Effective January 1, 2011, Section 6050W of the Internal Revenue Code requires a payment settlement entity to report payments made to merchants for goods and services in settlement of payment card and third-party payment network transactions. To avoid duplicate reporting of these transactions, 1099 eligible payments made with a P-Card should not be recorded in NCAS.

The North Carolina Department of Revenue (NCDOR) requires the withholding of income tax from certain payments made to nonresident (of the State of NC) individuals and entities. Additionally, NCDOR requires withholding on payments made to contractors that possess an Individual Taxpayer Identification Number (ITIN). For detailed information on this withholding, please reference the Department of Revenue's website <https://www.ncdor.gov>. The state withholding amount from NCAS payments will not be reflected on the 1099-MISC forms that are printed from NCAS. Further, if an "ST" withholding code is used in the 1099 field on an invoice line, the state withholding amount will be reflected in the payment, but this withholding will not generate a 1099-MISC form to print from NCAS. To report the state withholding, please use the NC-1099-PS directions found on the NCDOR website. If a 1099-MISC form is necessary, ensure the appropriate 1099 code has been provided within NCAS. If you have any additional questions regarding the proper coding within NCAS, please contact OSC Support Services at (919) 707-0795 or NCDOR for further withholding and reporting directions.

Non-resident Aliens (Foreign Nationals) are not eligible to receive Form 1099. These transactions receive a 1042-S form which will be provided by OSC to each reporting agency.