

ANNOUNCEMENT

TO: GeorgiaFIRST Financials Users

POSTED: January 9, 2020

SUBJECT: 1099 Processing and Reporting for Calendar Year 2019 Available Now

The 1099 Processing User's Guide is available now and can be found on the GeorgiaFIRST website [here](#). Although there are no significant changes to 1099 report processing for CY2019, the IRS changed and updated instructions for 1099-MISC form for CY2019.

Highlighted below are the areas where the language changed since CY2018.

Instructions for Recipient

Recipient's taxpayer identification number (TIN). For your protection, this form may show only the last four digits of your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN). However, the payer has reported your complete TIN to the IRS.

Account number. May show an account or other unique number the payer assigned to distinguish your account.

FATCA filing requirement. If the FATCA filing requirement box is checked, the payer is reporting on this Form 1099 to satisfy its chapter 4 account reporting requirement. You also may have a filing requirement. See the Instructions for Form 8938.

Amounts shown may be subject to self-employment (SE) tax. If your net income from self-employment is \$400 or more, you must file a return and compute your SE tax on Schedule SE (Form 1040). See Pub. 334 for more information. **Note:** If you are still receiving payments on which no income, social security, and Medicare taxes are withheld, you should make estimated tax payments. See Form 1040-ES (or Form 1040-ESiNR). Individuals must report these amounts as explained in the box 7 instructions on this page. Corporations, fiduciaries, or partnerships must report the amounts on the proper line of their tax returns.

Form 1099-MISC incorrect? If this form is incorrect or has been issued in error, contact the payer. If you cannot get this form corrected, attach an explanation to your tax return and report your income correctly.

Box 1. Report rents from real estate on Schedule E (Form 1040). However, report rents on Schedule C (Form 1040) if you provided significant services to the tenant, sold real estate as a business, or rented personal property as a business. See Pub. 527.

Box 2. Report royalties from oil, gas, or mineral properties, copyrights, and patents on Schedule E (Form 1040). However, report payments for a working interest as explained in the box 7 instructions. For royalties on timber, coal, and iron ore, see Pub. 544.

Box 3. Generally, report this amount on the "Other income" line of Schedule 1 (Form 1040) (or Form 1040NR) and identify the payment. The amount shown may be payments received as the beneficiary of a deceased employee, prizes, awards, taxable damages, Indian gaming profits, or other taxable income. See Pub. 525. If it is trade or business income, report this amount on Schedule C or F (Form 1040).

Box 4. Shows backup withholding or withholding on Indian gaming profits. Generally, a payer must backup withhold if you did not furnish your TIN. See Form W-9 and Pub. 505 for more information. Report this amount on your income tax return as tax withheld.

Box 5. An amount in this box means the fishing boat operator considers you self-employed. Report this amount on Schedule C (Form 1040). See Pub. 334.

Box 6. For individuals, report on Schedule C (Form 1040).

Box 7. Shows nonemployee compensation. If you are in the trade or business of catching fish, box 7 may show cash you received for the sale of fish. If the amount in this box is SE income, report it on Schedule C or F (Form 1040), and complete Schedule SE (Form 1040). 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 (or Form 1040NR). You also must complete Form 8919 and attach it to your return. If you are not an employee but the amount in this box is not SE income (for example, it is income from a sporadic activity or a hobby), report this amount on the "Other income" line of Schedule 1 (Form 1040) (or Form 1040NR).

Box 8. Shows substitute payments in lieu of dividends or tax-exempt interest received by your broker on your behalf as a result of a loan of your securities. Report on the "Other income" line of Schedule 1 (Form 1040) (or Form 1040NR).

Box 9. If checked, \$5,000 or more of sales of consumer products was paid to you on a buy-sell, deposit-commission, or other basis. A dollar amount does not have to be shown. Generally, report any income from your sale of these products on Schedule C (Form 1040).

Box 10. Report this amount on Schedule F (Form 1040).

Box 13. Shows your total compensation of excess golden parachute payments subject to a 20% excise tax. See the Form 1040 (or Form 1040NR) instructions for where to report.

Box 14. Shows gross proceeds paid to an attorney in connection with legal services. Report only the taxable part as income on your return.

Box 15a. May show current year deferrals as a nonemployee under a nonqualified deferred compensation (NQDC) plan that is subject to the requirements of section 409A, plus any earnings on current and prior year deferrals.

Box 15b. Shows income as a nonemployee under an NQDC plan that does not meet the requirements of section 409A. This amount also is included in box 7 as nonemployee compensation. Any amount included in box 15a that is currently taxable also is included in this box. This income also is subject to a substantial additional tax to be reported on Form 1040 (or Form 1040NR). See the Form 1040 (or Form 1040NR) instructions.

Boxes 16-18. Show state or local income tax withheld from the payments.

Future developments. For the latest information about developments related to Form 1099-MISC and its instructions, such as legislation enacted after they were published, go to www.irs.gov/Form1099MISC.

Additionally, ITS will apply an update with Release 5.52 on Friday, January 17, 2020 that will affect the 1099-MISC form. If users would like to begin 1099 report processing before Friday, January 17, 2020, they can work on the process from Steps 1 - 24 on the 1099 Process Checklist provided in the 1099 Processing User's Guide for CY2019.

MORE INFORMATION AND SUPPORT: For business impact issues, contact the ITS Helpdesk at helpdesk@usg.edu or via the [ITS Customer Services website](#).

