



## COMMONWEALTH of VIRGINIA

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### **MEMORANDUM**

**TO:** Fiscal Officers and 1099 Distribution List

**FROM:** Sharon H. Lawrence, Director  
Financial Reporting

**SUBJECT:** Information Returns Reporting Schedule for Calendar Year/Tax Year 2008

The Calendar Year/Tax Year 2008 year-end information returns processing schedule is attached. All agencies should adhere to the year-end IRS processing schedule to ensure that all information returns are filed timely. Agencies not participating in the Department of Accounts' (DOA) 1099 Adjustment and Reporting System (ARS) should disregard the ARS references in this memorandum and in the attachment.

For agencies participating in ARS, information returns data is available in three formats: paper CARS reports via Reportline and remote print, an Advanced Micro Solutions, Inc. (AMS) download file, and an ASCII flat file format. The latter two options are accessible through FINDS.

The first set of ARS reports contains the 1099 reportable transactions and adjustments processed from January 1, 2008 through November 30, 2008. These reports were posted on Reportline on Tuesday, December 2, 2008. Agencies should review these reports for accuracy and completeness. Adjustments to this information should be processed through the ARS by COB, Wednesday, December 31, 2008.

The second set of ARS reports will be posted on Reportline on Thursday, January 1, 2009. Agencies will have through COB Wednesday, January 14, 2009, to process final adjustments through the ARS for Calendar Year/Tax Year 2008.

The final set of ARS reports will be posted on Reportline on Thursday, January 15, 2009. Also, on Thursday, January 15, 2008, the final set of 1099 ARS files will be available for downloading to your information returns software through FINDS. Downloading requirements vary with the software. See CAPP Topic 70805, *1099 Adjustment and Reporting System (ARS)*.

DOA recommends the following procedures when preparing IRS 1099 Information Returns:

- Review the latest edition of the following CAPP topics for the IRS requirements for information returns compliance. CAPP Topics 20320 and 70805 will be updated and available on the DOA website in December 2008.
  - CAPP Topic 20319, *Electronic Federal Tax Payments Processing*
  - CAPP Topic 20320, *Information Returns Reporting*
  - CAPP Topic 70805, *1099 Adjustment and Reporting System (ARS)*
- Issue paper information returns to the recipients by Monday, February 2, 2009 for Calendar Year/Tax Year 2008 because the usual annual due date to recipients of January 31 falls on a Saturday in 2009, and the official due date is on the next business day (Monday, February 2, 2009).
- File paper information returns to the IRS using the required transmittal documents by Monday March 2, 2009 for the Calendar Year/Tax Year 2008 because the usual annual due date of February 28 to the IRS falls on a Saturday in 2009, and the official due date is on the next business day (Monday, March 2, 2009), or file electronically with the IRS using the FIRE (Filing Information Returns Electronically) system by March 31, 2009.
- Whenever 250 or more of a particular information return type are issued, agencies must submit those returns to the IRS electronically (not paper). Agencies unable to comply with this requirement should contact the IRS immediately and obtain a waiver. Be sure to obtain and review the detailed requirements in **IRS Publication 1220** (Rev. 7-2008), *Specifications for Filing Forms 1098, 1099, 5498, and W-2G Electronically*.
- Report backup withholding taxes to the IRS, on the **Form 945**, *Annual Return of Withheld Federal Income Tax* by Monday, February 2, 2009, for Calendar Year/Tax Year 2008, because the usual annual due date to recipients of January 31 falls on a Saturday in 2009, and the official due date is on the next business day (Monday, February 2, 2009). Refer to CAPP Topic 20319, *Electronic Federal Tax Payment Processing*, for further guidance.

To report taxable payments made to foreign citizens, file the annual **Forms 1042-S**, *Foreign Person's U. S. Source Income Subject to Withholding*, and the summary **Form 1042**, *Annual Withholding Tax Return for U. S. Source Income of Foreign Persons* with both the recipient(s) and the IRS on the same annual due date, which is usually March 15. However, since March 15 falls on a Sunday in 2009, the official due date becomes the next business day, Monday, March 16, 2009.

Use **Form 1042-T** to transmit paper **Forms 1042-S**. For filing 250 or more electronically refer to **IRS Publication 1187**, *Specifications for Filing Form 1042-S Electronically* (Rev. 8-2008). See also the requirements in **IRS Publication 515**, *Withholding of Tax on Nonresident Aliens and Foreign Entities* (Rev. 4-2008).

Any questions should be directed to Nick Whitby via e-mail at [Nick.Whitby@doa.virginia.gov](mailto:Nick.Whitby@doa.virginia.gov) or at (804) 371-7808.

Attachment

<b>Selected 2008 IRS Due Dates and Information Returns Year-End Processing Schedule</b>		
<b><u>IRS Due Dates</u></b>	<b><u>Report Period</u></b>	<b><u>Due Dates</u></b>
1099 Information Returns to Recipients	Jan. – Dec. 2008	February 2, 2009
<b>Form 945, Annual Return of Withheld Federal Income Tax</b>	Jan. – Dec. 2008	February 2, 2009
1099 Information Returns to IRS (Paper)	Jan. – Dec. 2008	March 2, 2009
1099 Information Returns to IRS (Electronic Filing)	Jan. – Dec. 2008	March 31, 2009
<b>Forms 1042, 1042-T &amp; 1042-S to the IRS and recipients</b>	Jan. – Dec. 2008	March 16, 2009
<b><u>First Set of ARS Reports</u></b>	<b><u>Report Period</u></b>	<b><u>Distribution Dates</u></b>
<b>ACTR3005, 1099 Reportable Transactions</b>	Jan. - Nov. 2008	December 2, 2008
<b>ACTR3010, Detailed 1099 Reportable Trans. with Adj.</b>	Jan. - Nov. 2008	December 2, 2008
<b>ACTR3015, Summarized 1099 Reportable Trans. with Adj.</b>	Jan. - Nov. 2008	December 2, 2008
<b><u>Adjustments to First Set of ARS Reports</u></b>	<b><u>Report Period</u></b>	<b><u>Processing Dates</u></b>
<b>Review First Set of ARS Reports &amp; Process Adjustments</b>	Jan. - Nov. 2008	Dec. 2 - Dec. 31
<b><u>Second Set of ARS Reports</u></b>	<b><u>Report Period</u></b>	<b><u>Distribution Dates</u></b>
<b>ACTR3005, 1099 Reportable Transactions</b>	Jan. - Dec. 2008	January 1, 2009
<b>ACTR3010, Detailed 1099 Reportable Trans. with Adj.</b>	Jan. - Dec. 2008	January 1, 2009
<b>ACTR3015, Summary 1099 Reportable Trans. with Adj.</b>	Jan. - Dec. 2008	January 1, 2009
<b><u>Adjustments to Second Set of ARS Reports</u></b>	<b><u>Report Period</u></b>	<b><u>Processing Dates</u></b>
<b>Review 2nd Set of ARS Reports &amp; Process Adjustments</b>	Jan. - Dec. 2008	Jan 1- Jan. 14
<b><u>Final Set of ARS Reports and Download Files</u></b>	<b><u>Report Period</u></b>	<b><u>Distribution Dates</u></b>
<b>ACTR3005, 1099 Reportable Transactions</b>	Jan. - Dec. 2008	January 15, 2009
<b>ACTR3010, Detailed 1099 Reportable Trans. with Adj.</b>	Jan. - Dec. 2008	January 15, 2009
<b>ACTR3015, Summarized 1099 Reportable Trans. with Adj.</b>	Jan. - Dec. 2008	January 15, 2009
<b>ACTB3035, Vendor Payments Subject to Information Returns Reporting</b>	Jan. - Dec. 2008	January 15, 2009
<b>ACTB3040, Vendor Payments Subject to Information Returns Reporting by State</b>	Jan. - Dec. 2008	January 15, 2009
<b>ACTB3045, Backup Withholding Payments by Agency</b>	Jan. - Dec. 2008	January 15, 2009
<b>FINDS - 1099 Files Available for Downloading</b>	Jan. - Dec. 2008	January 15, 2009

ATTACHMENT