

## What's New for Calendar/Tax Years 2011, 2012 and Beyond

A brief description of selected "What's New" items for Calendar/Tax Years 2011, 2012 and beyond is shown below. This is a partial listing only; readers should review the "What's New" Section of the *General Instructions for Certain Information Returns (Forms 1098, 1099, 3921, 3922, 5498, and W-2G)* and the related form-specific instructions available at [www.irs.gov](http://www.irs.gov) and any IRS updates thereto. In addition, readers should review the latest annual programming changes in **IRS Publication 1220 (Pub 1220)**, *Specifications for Filing Forms 1098, 1099, 3921, 3922, 5498, 8935, and W-2G Electronically*.

**Reminder:** Beginning on January 1, 2011, for Calendar Year 2011 tax filing, banks and other Purchase Card Settlement Organizations are responsible for filing information returns on purchase card (P Card) payments with the IRS and vendor payees whenever the total amount of the purchase card payments to the vendor for services is at least \$600. State agencies and institutions will continue to be responsible for filing information returns to vendors and the IRS for non-P Card payments for services of at least \$600 for services.

Some of the most significant changes that impact Calendar/Tax Years 2012 and beyond include:

- The repeal of 3% withholding requirement on payments to vendors of at least \$10,000 under the Tax Increase Prevention and Reconciliation Act (TIPRA).
- The repeal of the requirement under the Patient Protection and Affordable Care Act (PPACA) to include the purchase of "goods" as well as services for 1099 reporting,
- The repeal of the requirement under PPACA to include all corporations as reportable vendors. However, as in prior years, Medical and Legal corporations continue to be 1099 reportable for services only.

### What's New for Calendar/Tax Year 2011 for Information Returns Required to be Filed on or after January 1, 2012

The Department of Accounts began processing ePayable transactions in June 2011. All ePayable transactions have a value beginning with "P" in the check number field. Like purchase card transactions, ePayable transactions are not 1099 reportable by state agencies and institutions.

See table below that summarizes 1099 reportable and non-reportable payments to vendors providing services to state agencies and institutions.

Type of Payment	1099 Reportable
Purchase Card Payments	No
ePayable Transactions	No
Check or EDI Payments for Services to Reportable Vendors (corporations excluded)	Yes
Check or EDI Payments for Services to Medical and Legal Corporations	Yes