



COMMONWEALTH of VIRGINIA

DAVID A. VON MOLL, CPA
COMPTROLLER

Office of the Comptroller

P. O. BOX 1971
RICHMOND, VIRGINIA 23218-1971

December 17, 2021

MEMORANDUM

TO: Fiscal Officers

FROM: Kim Webster, Financial Services Specialist
Compliance Oversight & Federal Reporting

SUBJECT: Information Returns Reporting Schedule for Calendar Year/Tax Year 2021

All agencies should adhere to the year-end IRS processing schedule to ensure that all information returns are filed timely.

Please refer to the following Cardinal Job Aids for assistance with creating and sending the 1099 files and Copy B forms, reviewing 1099 withholding data and queries, and making adjustments to the withholding tables along with other information on the Cardinal 1099 process. Job Aids are located on the Cardinal Website at <https://www.cardinalproject.virginia.gov/job-aids>

SW AP312: 1099-MISC Process in Cardinal
SW AP312B: 1099 Process in Cardinal (2020)

Typically, all 1099 information returns are due to the recipients by January 31.

DOA recommends the following procedures when preparing IRS 1099 Information Returns for Calendar Year/Tax Year 2021:

- Review the following CAPP topics for the IRS requirements for information returns compliance.
 - CAPP Topic No. 20319, Electronic Federal Tax Payments Processing
 - CAPP Topic No. 20320, Information Returns Reporting
- Issue paper information returns to the recipients by January 31, 2022. The due date is extended to February 15, 2022, if reporting payments in boxes 8 or 10 of Form 1099-MISC.

- **Filing Dates:**

- File **Form 1099-NEC** on or before January 31, 2022, using either paper or electronic filing procedures.
- File **Form 1099-MISC** by February 28, 2022, if you file on paper, or March 31, 2022, if you file electronically.

Note: If any due date falls on a Saturday, Sunday, or legal holiday, the return or statement is considered timely if filed or furnished on the next business day.

- Whenever 250 or more of a particular information return type are issued, agencies must submit those returns to the IRS electronically (no paper returns are allowed). Agencies unable to comply with this requirement should contact the IRS immediately and obtain a waiver. Please review the detailed requirements in **IRS Publication 1220**, *Specifications for Electronic Filing of Forms 1096, 1097, 1098, 1099, 3921, 3922, 5498, and W-2G*.

***Caution:** The Taxpayer First Act of 2019, authorized Treasury, and the IRS to issue regulations that reduce the 250-return requirement to 100-return requirement for 2021 tax year, and 10-return requirement for tax year 2022. If those regulations are issued and if they are effective for 2021 tax-year returns required to be filed in 2022, the IRS will post an article at www.irs.gov explaining the change. Until regulations are issued, however, the number remains at 250, as reflected in **IRS Publication 1220**, *Specifications for Electronic Filing of Forms 1096, 1097, 1098, 1099, 3921, 3922, 5498, and W-2G*.*

- Report backup withholding taxes to the IRS, on the **Form 945**, *Annual Return of Withheld Federal Income Tax* by January 31, 2022, for Calendar Year/Tax Year 2021. Refer to CAPP Topic No. 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 March 15, 2022.
- Use **Form 1042-T** to transmit paper **Forms 1042-S**. For filing 250 or more forms electronically, refer to **IRS Publication 1187**, *Specifications for Electronic Filing of Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding*. Also, review the requirements in **IRS Publication 515**, *Withholding of Tax on Nonresident Aliens and Foreign Entities*. Refer to CAPP Topic No. 20319, *Electronic Federal Tax Payment Processing*, for payment processing procedures.

Please contact me should you have any questions via e-mail at Kim.Webster@doa.virginia.gov or at (804) 786-1134.