



W-2 AND 1099-MISC FILING DEADLINES ARE SOONER THIS YEAR

In an effort aimed to make it easier for the Internal Revenue Service ("IRS") to determine the legitimacy of tax returns and properly issue refunds, the IRS has accelerated the filing deadlines for employers filing their 2016 W-2's and certain Form 1099's to January 31, 2017. No longer will you have the option to wait until February 28th or later to file with the government.

WHAT DOES THIS MEAN TO THE EMPLOYER?

This year, not only will you be required to provide your employees with their W-2 forms on or before January 31st, but you will also need to file with the Social Security Administration ("SSA") Form W-3 Transmittal of Wage and Tax Statements with copies of Copy A of each W-2 attached by the same date. (Previously the SSA gave employers until February 28th to paper file their W-3's and until March 31st to e-file them.)

DOES THIS EFFECT FORM 1099-MISC THAT I SEND TO MY INDEPENDENT CONTRACTOR?

Yes. The deadlines have been accelerated for Form 1099-MISC also, but only for Non-employee Compensation Payments reported in Box 7. Like last year, you must send out all of your Form 1099-MISC forms to the persons who have received payments from you by January 31st. However, this year, those businesses submitting Forms 1099-MISC forms that contain payments in Box 7 are also required to file their FORM 1096 Annual Summary and Transmittal of U.S. Information Returns to the IRS by January 31st. (All other Form 1099's still have until February 28th to paper file and until March 31st to e-file Form 1096 with the IRS.)



WHAT ARE THE CONSEQUENCES IF I MISS MY JANUARY 31ST FILING DEADLINE?

Failure to file either of these two forms by January 31st can result in a penalty of \$50, \$100 or \$260 per W-2 form, depending on the amount of time that has elapsed between the due date and the actual filing date.

IN SUMMARY - This year, not only will you be required to provide employees with their W-2 forms and your independent contractors with their Form 1099-MISC by January 31st, but you will also need to file the Federal Copy with the Social Security Administration and the Internal Revenue Service by January 31st.

The filing of Form 1099-MISC is often overlooked by individual taxpayers who are self-employed and report their business income on Schedule C or F of their individual tax returns. In order to facilitate the filing of these forms in a timely manner, we recommend, if they have not already done so, that all businesses send a Form W-9 "Request for Taxpayer Identification Number and Certification" to each individual and business to which they have paid "Form 1099" type payments during the year and request that they be returned before year end.

As always, we are available to assist you with the filing of these forms and help with your tax and accounting questions.