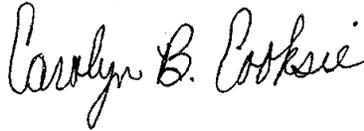


For: State and County Offices

IRS Reporting Changes to IRS Form 1099-G and 1099-MISC

Approved by: Associate Administrator for Operations and Management



1 Changes Being Made for IRS Reporting as of Calendar Year 2012

A Background

Internal Revenue Code section 6041(a) and section 6041A(a) state that reportable payments made to any recipient of the payments during a calendar year totaling less than \$600 are **not required** to be issued IRS Form 1099-G or IRS Form 1099-MISC.

This rule does not apply if withholding was withheld from payments. If voluntary withholding or backup (involuntary) withholding was withheld and payments were less than \$600, then IRS Form 1099-G or IRS Form 1099-MISC **will be issued**.

B Purpose

This notice provides information about IRS Form 1099-G and IRS Form 1099-MISC that are mailed annually to producers.

C IRS Form 1099-G and 1099-MISC Reporting

Beginning with calendar year 2012 IRS reporting, Kansas City will not generate and mail IRS Form 1099-G and/or IRS Form 1099-MISC to producers if the total of reportable payments for each tax identification number is less than \$600.

However, if voluntary withholding or backup (involuntary) withholding was withheld from a payment and total payments are less than \$600, then the appropriate IRS 1099 form will be issued.

Beginning with calendar year 2012 IRS reporting, Kansas City will also be issuing one IRS Form 1099-G and/or one IRS Form 1099-MISC to each multi-county producer whose total reportable payments for each tax identification number are equal to or greater than \$600.

Multi-county producer IRS forms will use the producer's mailing address associated with the lowest State number and then the lowest county number within that State identified as receiving payments for the reportable calendar year. The Kansas City address will be used as the return address on the IRS forms.

Disposal Date	Distribution
August 1, 2013	State Offices; State Offices relay to County Offices

Notice FI-3114

1 Changes Being Made for IRS Reporting as of Calendar Year 2012 (Continued)

D County Office Action

County Offices shall notify producers of the following:

- elimination of generating or mailing IRS Form 1099-G and IRS Form 1099-MISC totaling less than \$600
- multi-county producers will receive only **one** IRS Form 1099-G if combined payments total \$600 or more
- multi-county producers will receive only **one** IRS Form 1099-MISC if combined payments total 600 or more
- producers subject to voluntary withholding or backup (involuntary) withholding will receive the appropriate IRS form, even if combined payments are less than \$600.

Notes: Producers receiving less than \$600.00 in combined payments need to consult a tax advisor to determine if these payments must be reported on their tax return.

Before the end of the 2012 calendar year, Disbursement Transaction Statements will state, “**For calendar year 2012, any customer receiving less than \$600 in reportable program benefits will no longer receive a 1099 tax form from FSA.**”

Financial Inquiries will continue to display all producer payments regardless of total amount.

E Contact

If there are questions about this notice, contact Jackie Pickens by either of the following:

- e-mail to jackie.pickens@wdc.usda.gov
- telephone at 202-772-6027.