

For: State and County Offices

Information on 1099-G's and 1099-MISC's

Approved by: Associate Administrator for Operations and Management



1 Overview

A Background

Changes discussed in Notice FI-3139 about changes to financial inquires for CCC-1099's were released February 15, 2013.

This notice reiterates Internal Revenue Code section 6041(a) and section 6041A(a) stating 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**.

According to 62-FI, corrections for 1099-G's shall only be generated on producer request.

B Purpose

This notice:

- clarifies 1099-G correction and reporting procedures
- provides information on IRS Form 1099-G and IRS Form 1099-MISC that are mailed annually to producers totaling less than \$600
- provides information on changes in CRP Annual Rental.

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

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1 Overview (Continued)

C Contact Information

If there are questions about this notice, State Offices shall contact the appropriate office as follows.

Issue	Contact
Software related problems.	National Help Desk at 800-255-2434. Note: Select option 3 for hardware and FSA application software.
Policies in this notice.	Jackie Pickens by: <ul style="list-style-type: none">• e-mail to jackie.pickens@wdc.usda.gov• telephone at 202-772-6027
Procedures for 1099-G Corrections	Debbie Deane by: <ul style="list-style-type: none">• e-mail to debra.deane@kcc.usda.gov• telephone at 816-926-5988.

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

A Corrected 1099-G's

County Offices shall use reports identified in Notice FI-3139 and referenced in 62-FI, subparagraph 76 B when a producer requests a corrected CCC-1099-G.

Note: 1099's that incorrectly include producer payments generated for internal FSA accounting purposes will be corrected **only** if requested by the producer.

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

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

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

B IRS Reporting Changes to IRS Form 1099-G and 1099-MISC (Continued)

- producers subject to voluntary withholding or backup (involuntary) withholding will receive the appropriate IRS form, even if combined payments are less than \$600.

Note: Producers receiving less than \$600 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 stated, **“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.

C Changes in CRP Annual Rental

Beginning with the October 2012 CRP payment cycle, CRP reductions for managed haying and grazing and contract violations were **not** included in the gross income if the reduction was taken at the time of payment. If CRP participant prepaid the reduction, then the reduction amount would be included in the gross 1099.