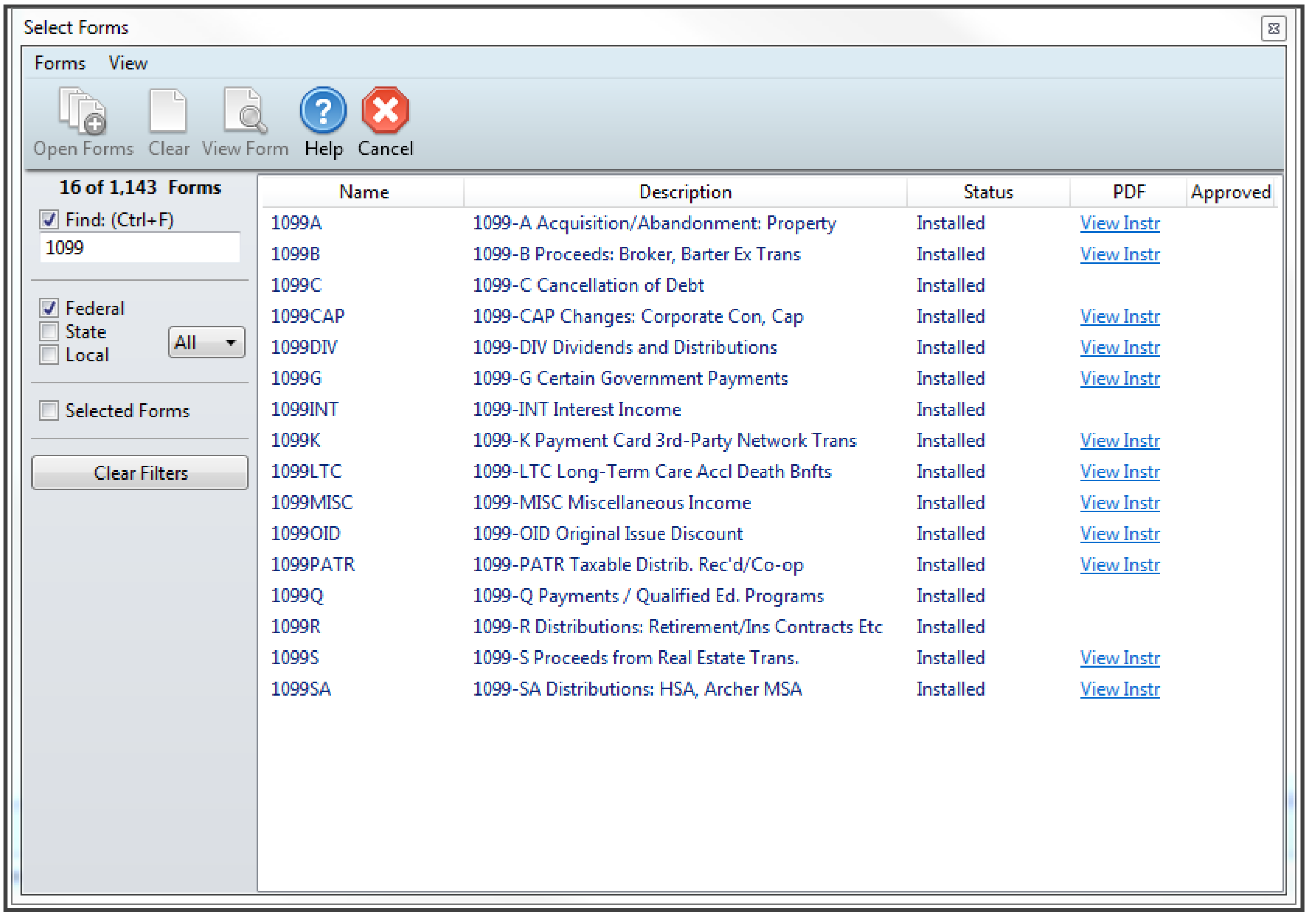
Preparing 1099 Returns

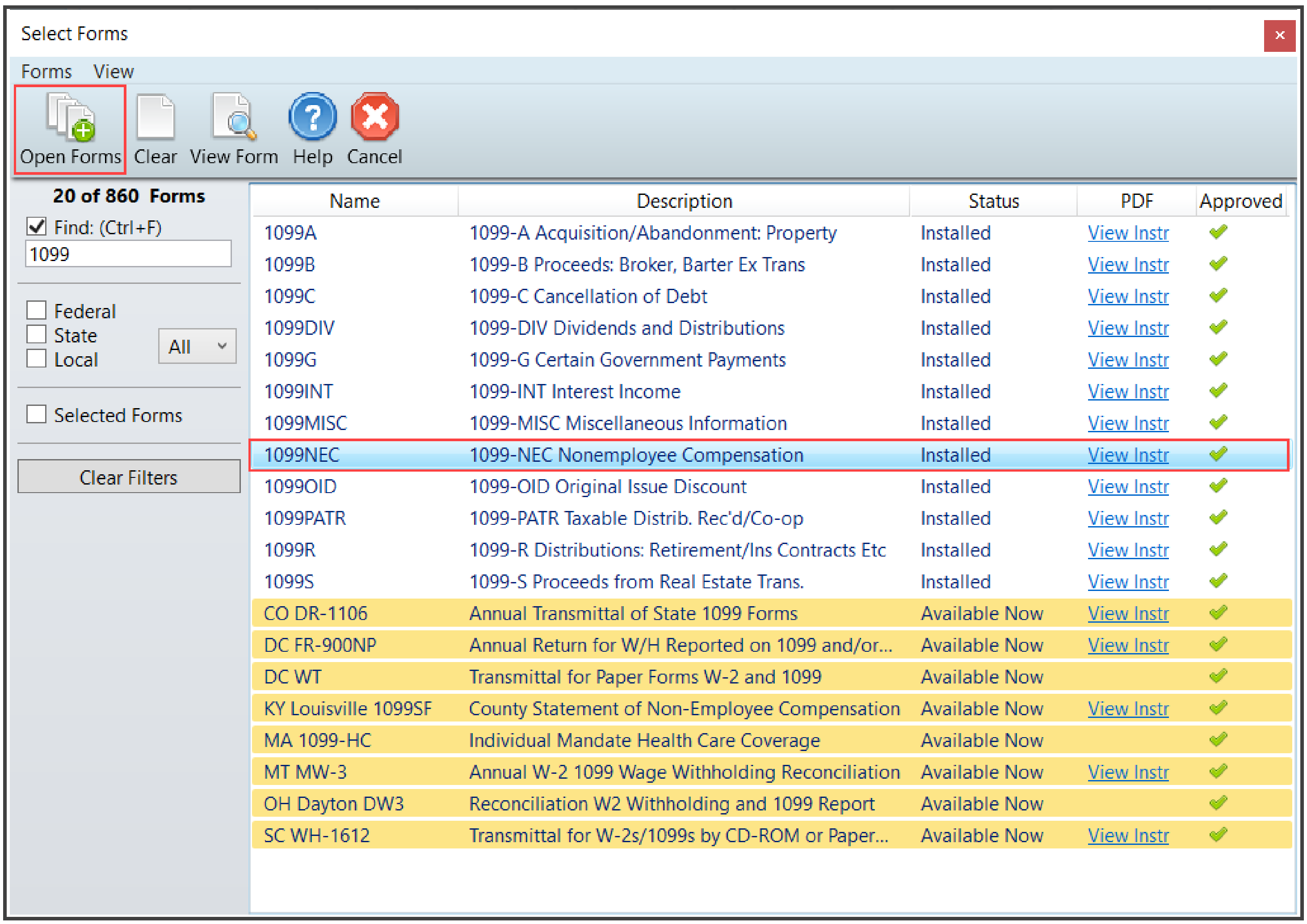
Employers send Form 1099 to workers who receive income but are not employees. Form 1099 also reports other types of income, such as interest income, retirement payments, rental income, etc. The taxpayer then reports these amounts on their federal Form 1040. Payroll Compliance Reporting (PCR) contains many types of Form 1099 you can prepare and transmit to the IRS.



To start a new 1099 return:

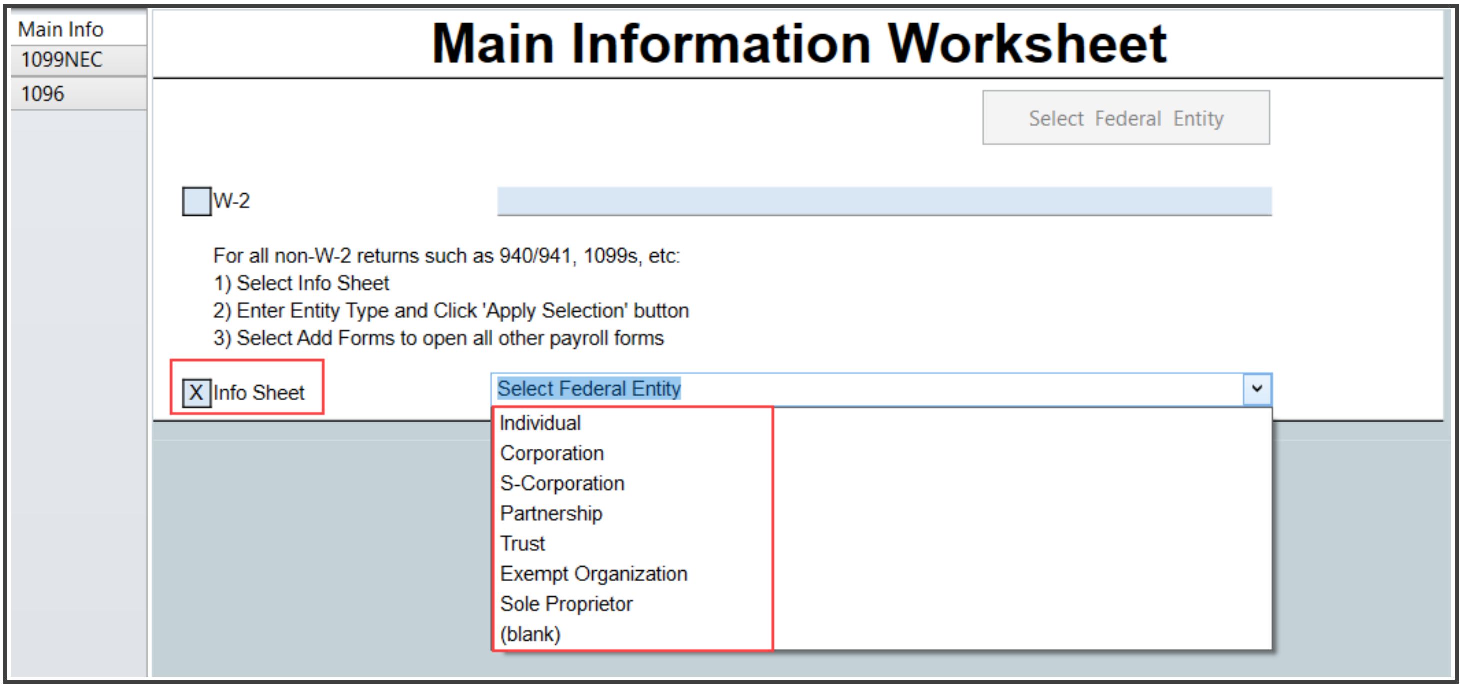
1. In Return Manager, click **New**.

2. Payroll Compliance Reporting displays the Select Forms dialog box. Select the forms you want to add to the new return and click **Open Forms**.

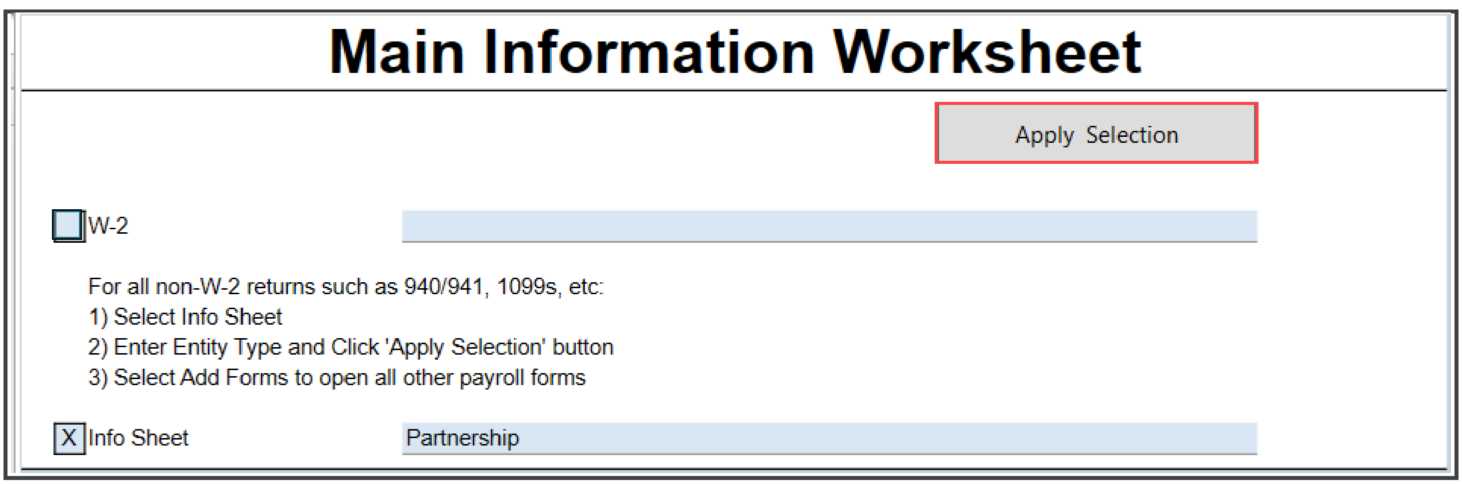


You can select as many forms as you need at this time or add more forms later.

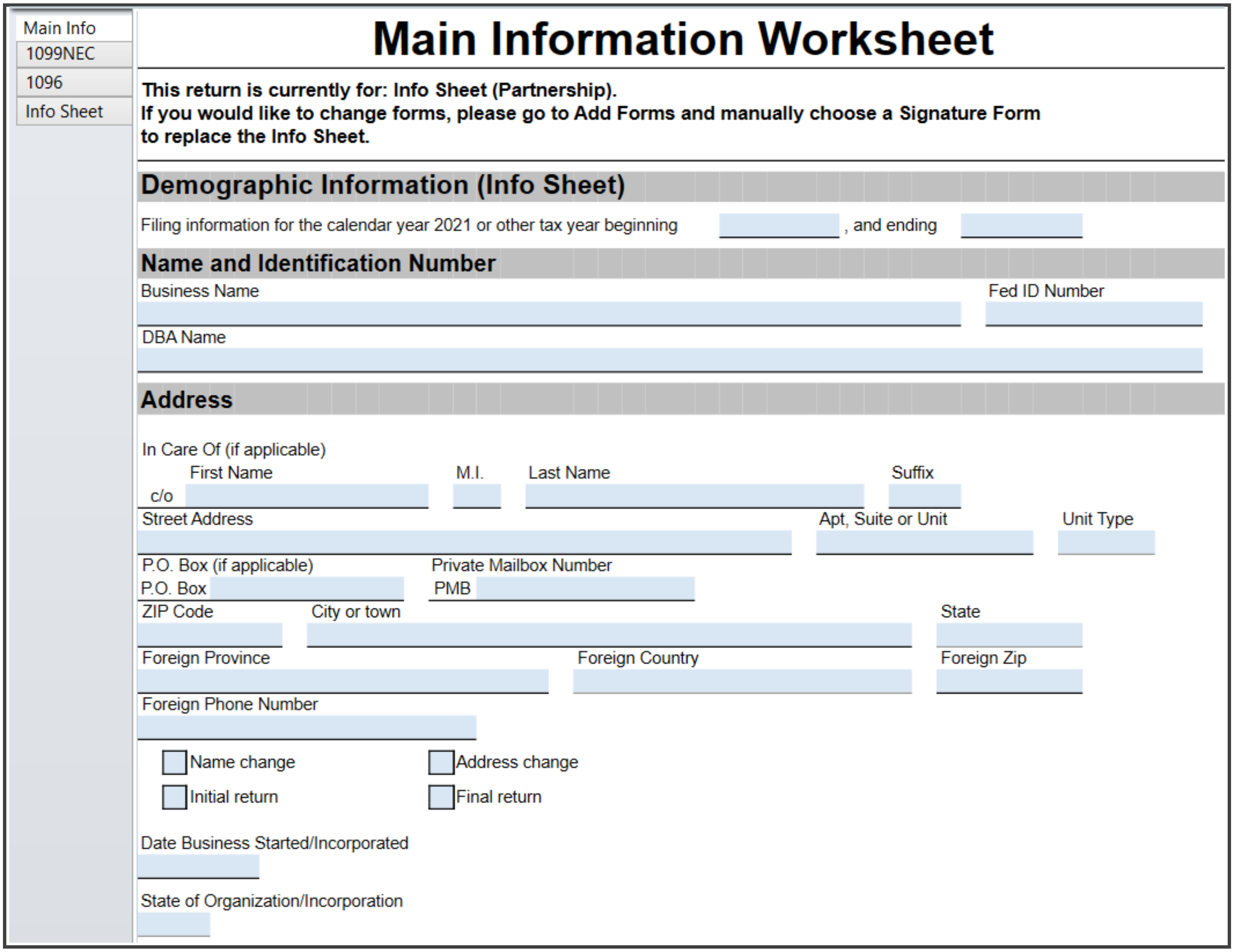
3. Payroll Compliance Reporting opens the forms.
4. From the Main Information Worksheet, select the **Info Sheet** checkbox, and use the drop-down menu to indicate the entity type.



5. Then, click **Apply Section**.



6. The program expands the form, so you can begin entering payer information.



Main Info
1099NEC
1096
Info Sheet

Main Information Worksheet

This return is currently for: Info Sheet (Partnership).
If you would like to change forms, please go to Add Forms and manually choose a Signature Form to replace the Info Sheet.

Demographic Information (Info Sheet)

Filing information for the calendar year 2021 or other tax year beginning , and ending

Name and Identification Number

Business Name
Fed ID Number
DBA Name

Address

In Care Of (if applicable)
First Name M.I. Last Name Suffix
c/o
Street Address
Apt, Suite or Unit
Unit Type
P.O. Box (if applicable)
Private Mailbox Number
P.O. Box
PMB
ZIP Code
City or town
State
Foreign Province
Foreign Country
Foreign Zip
Foreign Phone Number

Name change
Address change
Initial return
Final return

Date Business Started/Incorporated

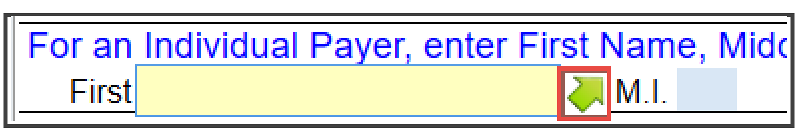
State of Organization/Incorporation

JumpTo

On all forms, schedules and worksheets, PCR calculates values in white boxes from data typed elsewhere. **JumpTo** enables fast navigation to the forms, schedules or worksheets from which this data originates.

To use JumpTo:

1. Click a calculated box, and then click the **JumpTo** icon.



For an Individual Payer, enter First Name, Midc
First M.I.

2. **JumpTo** navigates to the source box.

3. Enter the information in the field. PCR carries the information to the correct fields in the return.

Navigating Forms

Many forms consist of multiple pages and worksheets to allow detailed data entry. Below are multiple ways to navigate and enter data, depending on the situation.

Navigating Through a Single Page

To navigate through a single page:

- Press **Enter** or **Tab** to move from the current box to the next box.
- To reverse direction, press **Shift+Tab**.

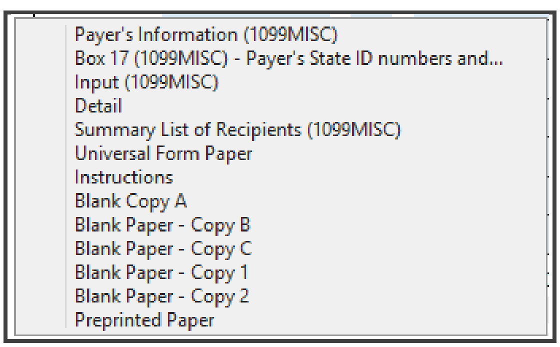
Navigation Bar

PCR displays a navigation bar below the active form, consisting of the Pages & Worksheets button and a series of tabs. PCR associates each tab with a numbered form page, schedule, worksheet or other page of the active form.

To navigate through the active form:

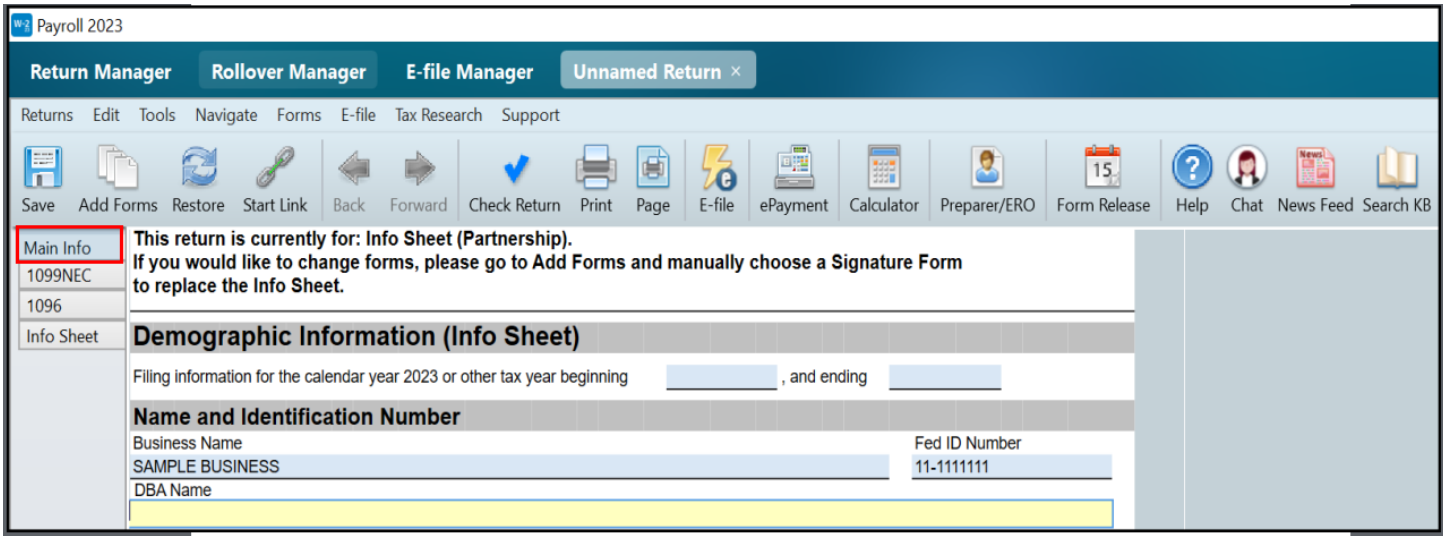
1. Click **Pages & Worksheets** to display a list of all worksheets for the active form.

2. Click the worksheet to open.



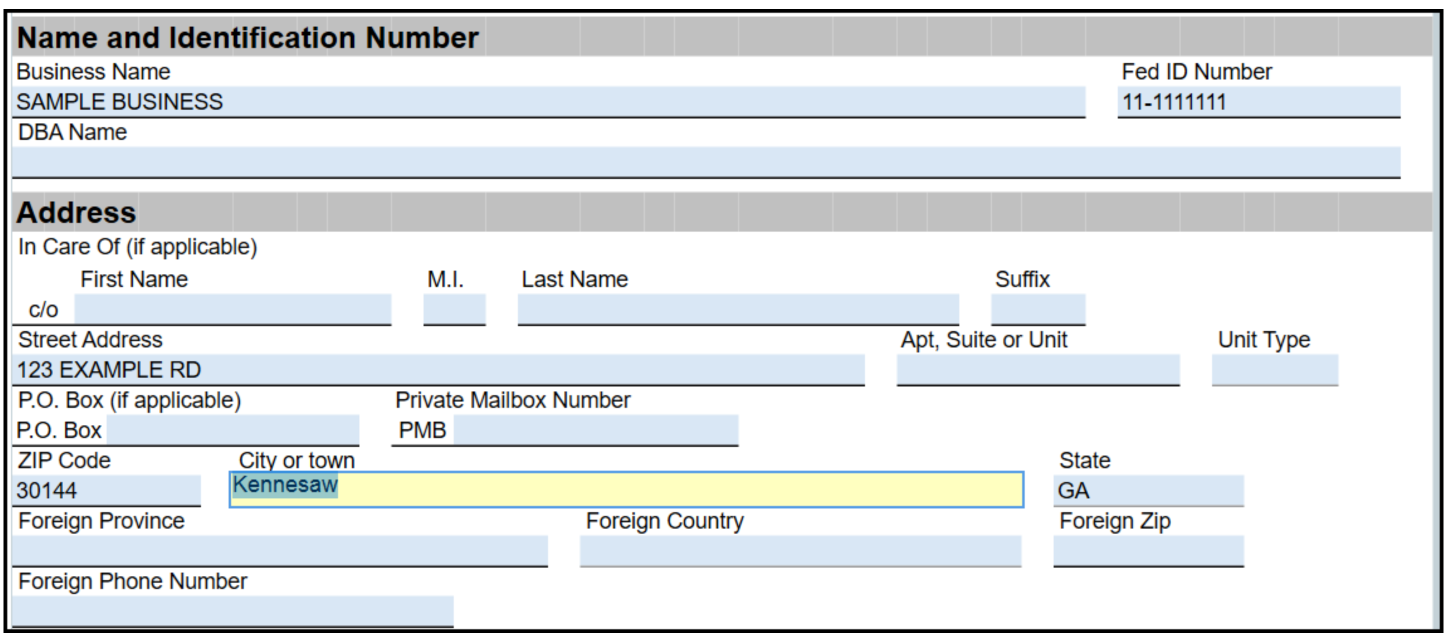
Main Information Worksheet

1. To view and update the taxpayer information, click **Main Info** in the form list.

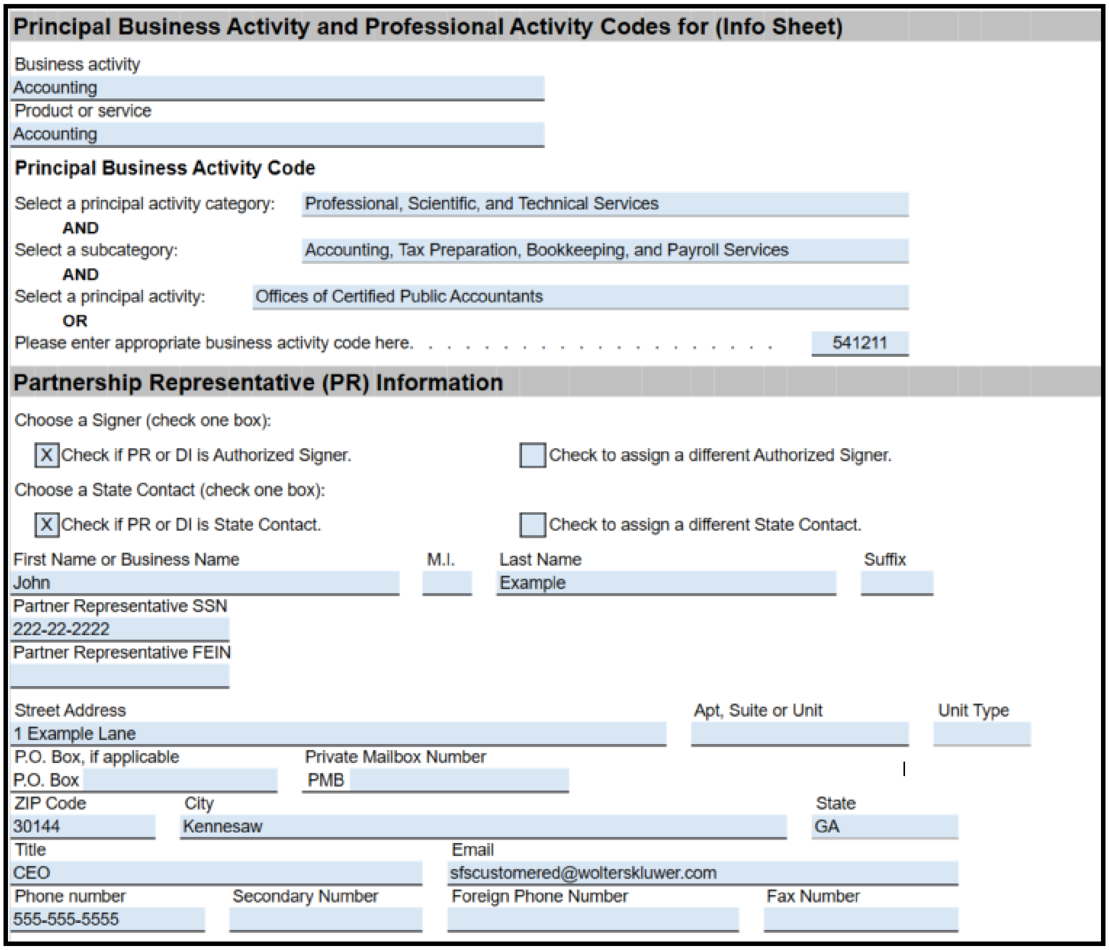


2. Complete the business name and Employer Identification number in the appropriate fields.

3. Next, complete the information in the Address section.



4. Scroll down to input the Business Activity Code and Authorized Signer details.



Principal Business Activity and Professional Activity Codes for (Info Sheet)

Business activity
Accounting
Product or service
Accounting

Principal Business Activity Code

Select a principal activity category: Professional, Scientific, and Technical Services
AND
Select a subcategory: Accounting, Tax Preparation, Bookkeeping, and Payroll Services
AND
Select a principal activity: Offices of Certified Public Accountants
OR
Please enter appropriate business activity code here. 541211

Partnership Representative (PR) Information

Choose a Signer (check one box):
[X] Check if PR or DI is Authorized Signer. [ ] Check to assign a different Authorized Signer.
Choose a State Contact (check one box):
[X] Check if PR or DI is State Contact. [ ] Check to assign a different State Contact.

First Name or Business Name	M.I.	Last Name	Suffix
John		Example	

Partner Representative SSN
222-22-2222
Partner Representative FEIN

Street Address	Apt, Suite or Unit	Unit Type
1 Example Lane		

P.O. Box, if applicable	Private Mailbox Number
P.O. Box	PMB

ZIP Code	City	State
30144	Kennesaw	GA

Title	Email
CEO	sfscustomered@wolterskluwer.com

Phone number	Secondary Number	Foreign Phone Number	Fax Number
555-555-5555			

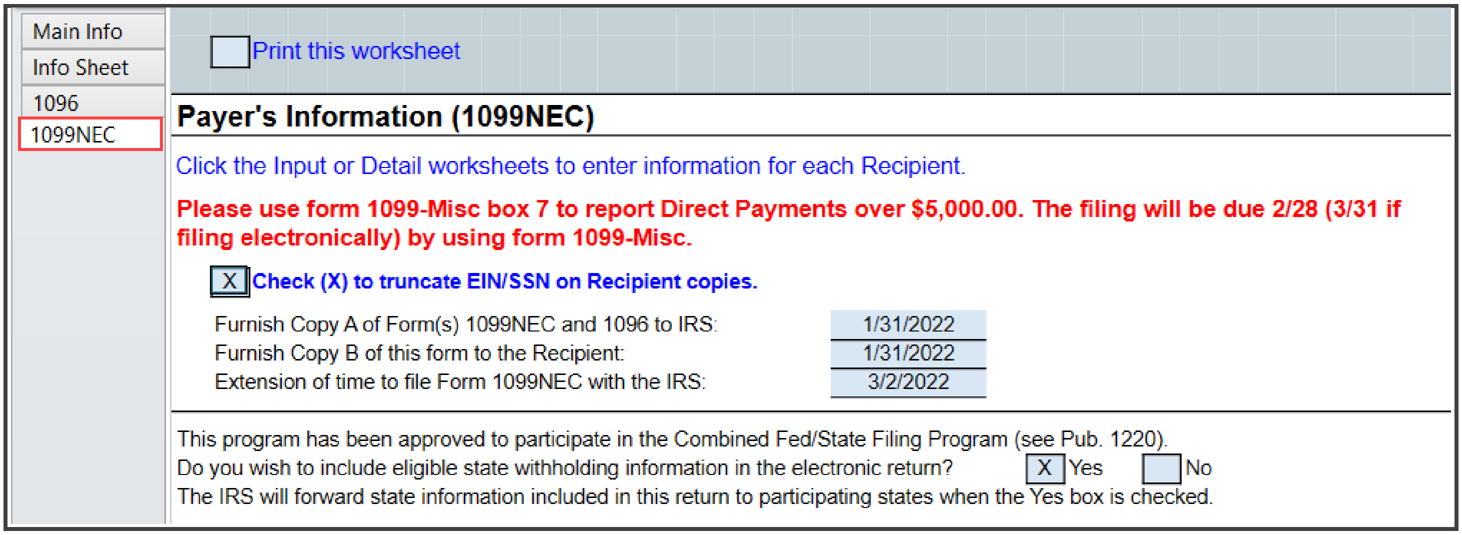
Import 1099 Data

If your client has payroll or 1099 data from Quickbooks™ or Sage 50 Accounting, you can import this data into PCR and create the 1099 file. This saves you time in preparing the return. For additional information on importing data into PCR, review the *Importing Data* lesson in the Payroll Compliance Reporting Learning Portal.

Working Through Returns

The information flows from the Info Sheet to the appropriate places on the return. For this lesson, we prepare Form 1099 Misc.

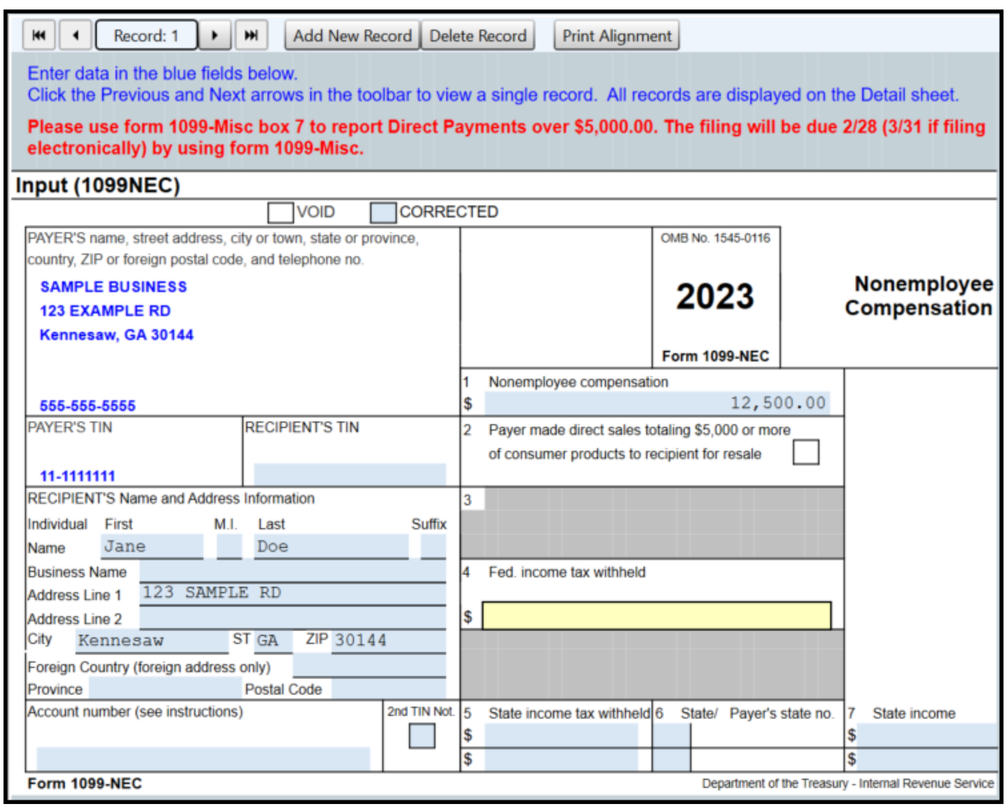
1. Click the **1099NEC** form tab. Payroll Compliance Reporting displays the Payer's Information. Make any adjustments to this information if needed.



2. On the Navigation Bar, click the **Input** tab.

3. Payroll Compliance Reporting displays the input worksheet for Form 1099NEC. Complete the information for each recipient.

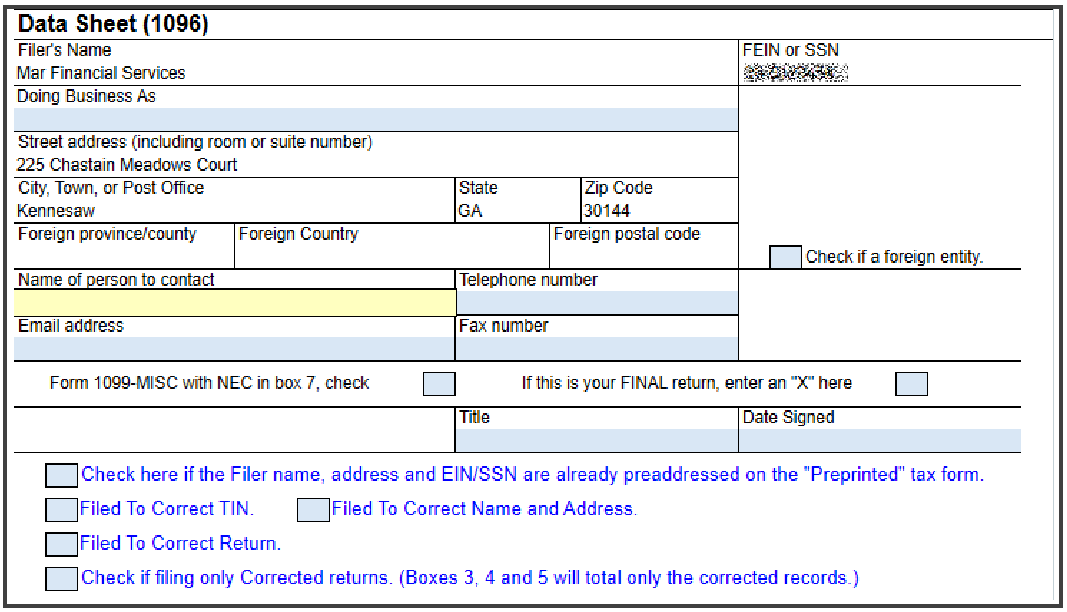
Calculated fields have a white background, while direct entry fields have a blue background.



4. Click **Add New Record** in the tool bar to add an additional 1099.

Form 1096

Form 1096 is required when transmitting paper Forms 1097, 1098, 1099, 3921, 3922, 5498 and W-2G to the IRS. Payroll Compliance Reporting loads Form 1096 automatically. Complete any fields on the 1096 that are required for the return type.

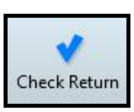

Data Sheet (1096)

Filer's Name
Mar Financial Services
FEIN or SSN
Doing Business As
Street address (including room or suite number)
225 Chastain Meadows Court
City, Town, or Post Office
Kennesaw
State
GA
Zip Code
30144
Foreign province/county
Foreign Country
Foreign postal code
Check if a foreign entity.
Name of person to contact
Telephone number
Email address
Fax number
Form 1099-MISC with NEC in box 7, check
If this is your FINAL return, enter an "X" here
Title
Date Signed
Check here if the Filer name, address and EIN/SSN are already preaddressed on the "Preprinted" tax form.
Filed To Correct TIN.
Filed To Correct Name and Address.
Filed To Correct Return.
Check if filing only Corrected returns. (Boxes 3, 4 and 5 will total only the corrected records.)

Completing Returns

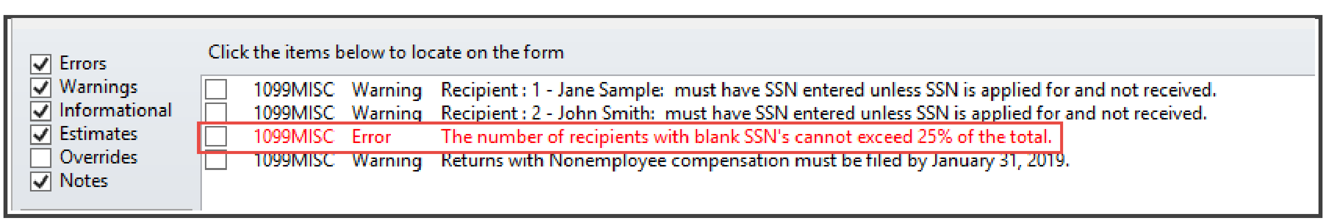
Once you complete the return, check for missing information before creating the e-file.

To do this:

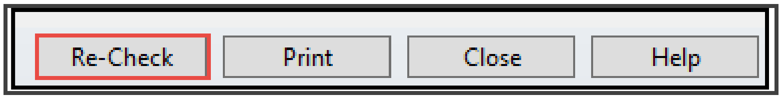
1. Click **Check Return** 

on the toolbar.

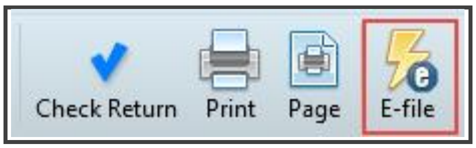
2. Payroll Compliance Reporting displays the results at the bottom of the screen with errors in red text. Click the error to navigate to the form and box in question.



3. Correct the information to remove the error. After you correct errors, click **Re-Check** to check for additional errors.



4. Once you have corrected any errors, you can create the federal and state e-files. Click **E-file** on the toolbar.

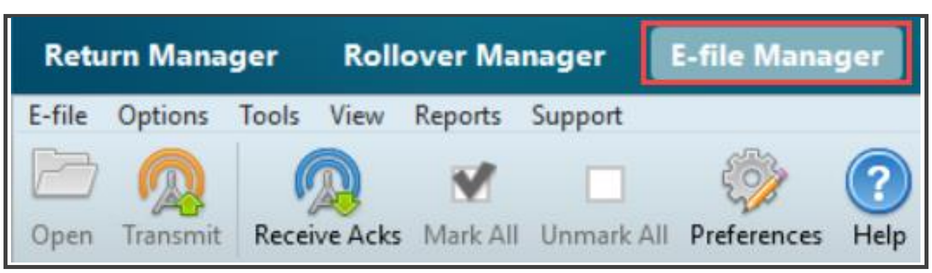


5. On the Create E-file dialog box, select the check box for the e-files you want to create, and click **Create**.

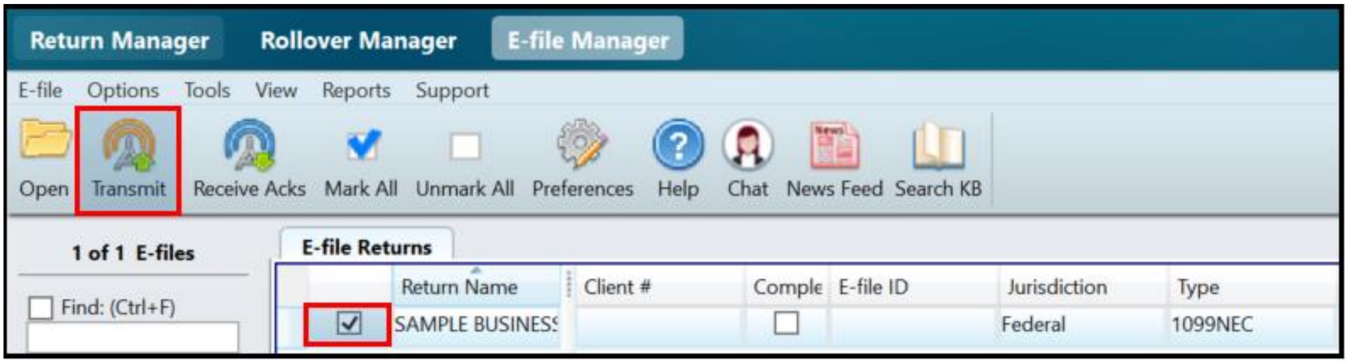
6. Once you create the e-file, you must submit it to the IRS or state for processing.

To send the e-files after creating them:

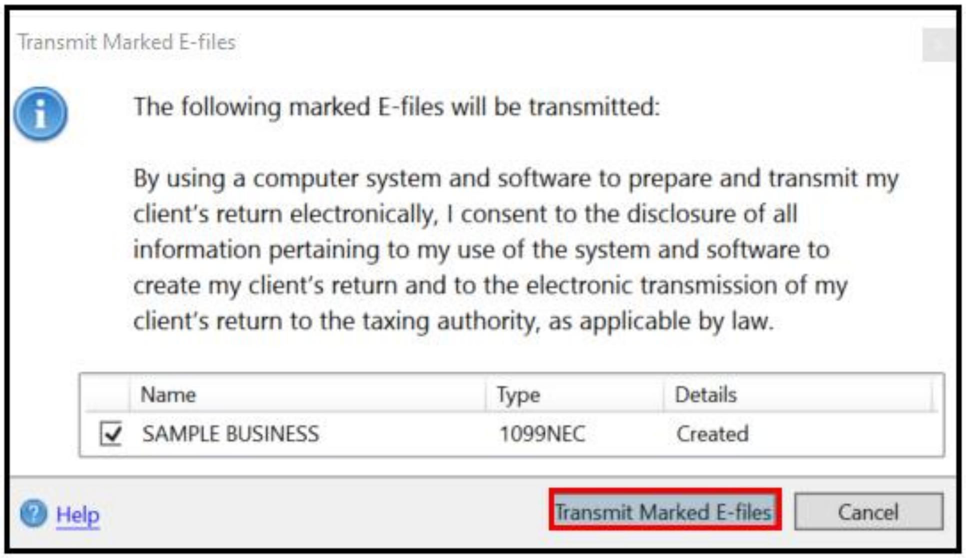
1. Click **E-file Manager**.



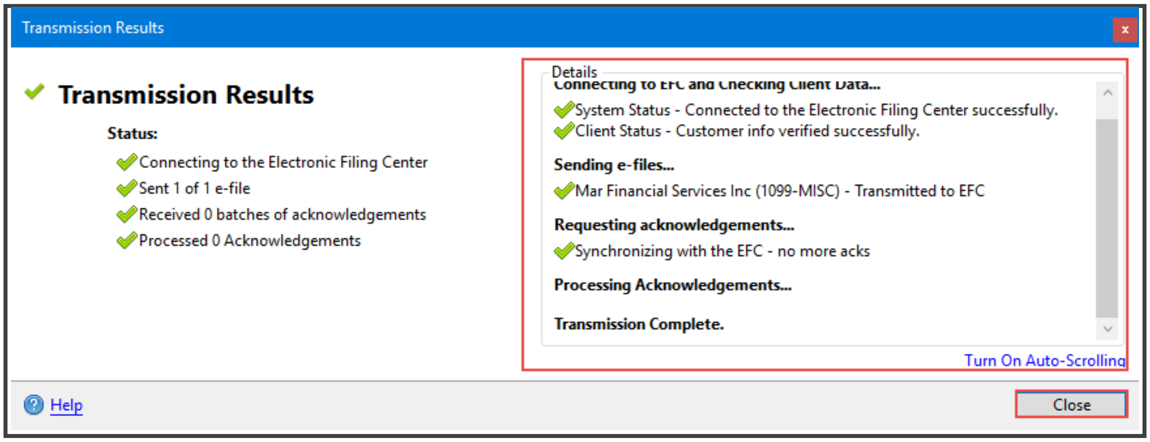
2. Payroll Compliance Reporting displays the e-files you created. Select the check box(es) for the files you want to send and click **Transmit**.



3. Payroll Compliance Reporting displays the **Transmit Marked E-Files** dialog box. Verify the selected returns and click **Transmit Marked E-files**.



4. Payroll Compliance Reporting displays the **Transmission Results** dialog box. When the transmission is complete, click **Close**.



The only acceptable method of electronically filing informational returns accompanied by a Form 1096 is through the Fire System. See **Publication 1220** for additional information.

5. The IRS sends acknowledgements to show whether the return is accepted or rejected. To receive acknowledgements in E-file Manager, click **Receive Acks**.

6. PCR connects to the Electronic Filing Center and downloads the available acknowledgements. Click **Close**.