



2020
Missouri Employer
Reporting of 1099
Instructions and
Specifications
Handbook

November 2020

Taxation Division
Electronic Services Section

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Document Change Log

Date	Page	Item	Description
10/2020		Initial Creation	<ul style="list-style-type: none">Document Creation
10/2020	7 & 11	B-Record Modifications for 1099-NEC	<ul style="list-style-type: none">Updated the B-Record specifications to clarify the state reporting fields for the 1099-NEC. Positions 663-750 updated to match the layout of the 1099-MISC in those same positions.
11/2020	7 & 11	B-Record Modifications Removed	<ul style="list-style-type: none">Updated the B-Record specifications to remove specific modifications for the 1099-NEC. Positions 544-750 are now defined for the 1099-NEC in IRS Publication 1220.

Introduction

Missouri law requires that employers submit their annual Withholding reconciliation using the electronic format if the total number of W-2s meets or exceeds 250. While there is no such requirement for 1099s, we encourage all employers, regardless of the number or type of statements issued, to file electronically.

This handbook is designed to be used as a companion to the Internal Revenue Service Publication 1220. The handbook highlights the special requirements of the Missouri electronic filing program.

If you participate in the Combined Federal/State Filing (CF/SF) Program, which allows you to only file miscellaneous income to the Internal Revenue Service (IRS). The IRS will provide this information to our Department; therefore you do not need to send a file directly to Missouri.

****For tax year 2020, the new Form 1099-NEC will need to be reported directly to Missouri. It is not part of the Combined Federal/State Filing Program.**

You must receive written approval from the IRS to participate in this program. Once you receive approval, submit a copy of the written approval to the Missouri Department of Revenue, Taxation Division, P.O. Box 3375, Jefferson City, MO 65105-3375, fax (573)526-5915, or e-mail to elecfile@dor.mo.gov. You only need to send the approval if this is your first year you've been approved. If you have previously participated in the program or you have sent the approval in the past, you do not need to resend it. If you do not participate in the program, you must file this information separately with the Missouri Department of Revenue. The information returns that may be filed under the Combined Federal/State Filing Program are:

- Form 1099-B, Proceeds from Broker and Barter Exchange Transactions
- Form 1099-DIV Dividends and Distributions
- Form 1099-G Certain Government Payments
- Form 1099-INT Interest Income
- Form 1099-MISC Miscellaneous Income
- Form 1099-OID Original Issue Discount
- Form 1099-PATR Taxable Distributions Received From Cooperatives
- Form 1099-R Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., and
- Form 5498 IRA Contribution Information

For additional information regarding this program, please review the Internal Revenue Service's Tax Topic 804.

For information regarding Annual W-2 reporting, please see [Missouri Annual W-2 Filing and Specifications Handbook](#).

Filing Requirements for 1099 Wage Data

Filing electronically requires the generation of a fixed length (text) file which is described in the IRS Publication 1220. Additionally, this handbook will have the necessary Missouri modifications, as mentioned in the introduction.

Employers failing to file in the required method or by the due date, taking into account any extension of time granted, unless it is shown that such failure is due to reasonable cause, may incur a penalty of two dollars per statement not filed, not to exceed one thousand dollars, as authorized by Section 143.731.2 RSMo.

Electronic Filing of 1099 Information

Bulk Upload Process

The Bulk Upload Process allows the user (employer/payroll provider) to upload a text file, compiled in the required Pub. 1220 format. The file can contain 1099/MO-3 information for multiple employers (see Electronic File/Records).

When a file cannot be processed, the user will be notified by email, any reject is a reject of the entire file. The email will contain a subject of "1099 Rejected"; the email will include recommendations on how to correct the file. When resubmitting a file after a reject be sure to upload the entire file, as if you are submitting for the first time.

Electronic Filing Record Requirements

Below are the Missouri records for reporting of 1099s and submission of the electronic MO-W3 (K Record). These required records must be 750 bytes and are described in detail further in this document. Your software may compile a single file that serves both federal file requirements and Missouri requirements.

T - Submitter Record (Same record layout as IRS Publication 1220)

A - Payer Record (Same record layout as IRS Publication 1220)

B - Payee Record (Same record layout as IRS Publication 1220)

C – Summary Record (Same record layout as IRS Publication 1220)

K – State Summary Record (Same record layout as IRS Publication 1220)

F – End of Transmission (Same record layout as IRS Publication 1220)

Note:

- A transmitter may include more than one payer in a file. A single file may contain different types of returns but the types of returns cannot be intermingled. A separate A record is required for each payer and each type of return being reported.
- Data must be uppercase letters in ASCII.
- Each record must be 750 bytes, the maximum number of “A” records allowed in a single file is 99,000.
- Each record type starts on a new row.
- Electronic files submitted by bulk upload cannot be compressed or password protected. The file you upload is placed on an encrypted server.

*The electronic file that you create may be opened and viewed using Notepad. It is helpful to click on “View” tab and check the “Status Bar” so that the column/line numbers appear at the bottom, right corner of the screen, below the left-right scroll bar. Also, click on the “Format” tab to make sure Word Wrap is NOT checked.

Reminders for Tax Year 2020

1. The filing deadline of 1099 tax statements for taxpayers is March 1, 2021. Missouri will begin accepting files December 7, 2020.
2. If you outsource your payroll, please provide the transmitter/submitter with the **correct** Federal Employer Identification Number (FEIN).
3. Do not submit electronic files directly to Missouri if you participate in the Combined Federal/State Filing Program. ****For tax year 2020, the new Form 1099-NEC will need to be reported directly to Missouri. It is not part of the Combined Federal/State Filing Program.**
4. Do not submit paper documents after filing electronically
This may result in errors on your account.

Most Common Errors to Avoid

- Failure to include the T record will result in the file not being processed.
- Uploading PDF, MS Word or Excel files. These are not acceptable formats. This will result in a filing reject.
- The file missing record delimiters (CR- Carriage Return followed by LF – Line Feed). Each record delimiter must consist of a carriage-return/linefeed (CR/LF) and placed immediately following position 750. This is the same as stated in IRS Publication 1220.

Record Format Rules

Global format requirements

All fields in the record layouts are required and must follow the formatting rules as follows:

Alpha fields (Alphabetic characters and blanks only)

- All Upper Case.
- Left justify and fill with blanks.

Numeric fields (Numeric characters only)

- Right justify and fill with zeroes.
- Fill unused fields with zeroes.

Alpha/numeric fields (Alphabetic, numeric, blanks and special characters as allowed)

- Left justify and fill with blanks.
- Fill unused fields with blanks.

Money fields

- Must contain only numbers, no spaces.
- No punctuation.
- No signed amounts (high order signed or low order signed).
- Include both dollars and cents with the decimal point assumed (example: \$59.60 = 000000005960).
- Do *not* round to the nearest dollar (example: \$5,500.99 = 000000550099).
- Right justify and zero fill to the left.
- Any money field that has no amount to be reported must be filled with zeroes, no spaces.

Note: If IRS Publication 1220 instructs to use blanks for alpha/numeric fields, enter blanks unless Missouri specifies other.

“T” Record

Use record layout defined in IRS Publication 1220

“A” Record

Use record layout defined in IRS Publication 1220.

“B” Record

Use record layout defined in IRS Publication 1220. ***Note: For Form 1099-NEC, field positions 544-750 have been defined by IRS Publication 1220 to include state and local income tax withheld. No modifications need to be made to the record layout defined in IRS Publication 1220 for Form 1099-NEC.**

“C” Record

Use record layout defined in IRS Publication 1220.

“K” Record

Use record layout defined in IRS Publication 1220. **Only the Missouri “K” record is required.**

“F” Record

Use record layout defined in IRS Publication 1220.

To View the Electronic File

Open the 1099 file using Notepad. Some hints to navigate this file to make corrections:

- Click on the View tab and make sure the Status Bar is checked. This will allow for the Line number and Column number (example. Ln 1, Col 1) to appear at bottom right corner of the screen, below the scroll bar that goes from left to right.
- Click on the Format tab and make sure Word Wrap is unchecked.
- Use caution when adding/subtracting fields in each line, that the remainder of the line is held in position.

Frequently Asked Questions

Who must file 1099 reports?

All individuals, businesses and corporations who are required to file a federal 1099 information report must file with the Missouri Department of Revenue an annual statement of payments of any income of \$1,200 or more from a Missouri source except:

- Wages from which taxes were withheld; and,
- Income reported on an information report for an S corporation or partnership.

Annual statements ARE required of any individual, business or corporation making those payments to Missouri residents and nonresidents.

How do I name my electronic file before submitting it to the Department?

Any name is acceptable.

What other methods of filing are accepted?

Combined Federal/State Filing Program with the Internal Revenue Service.

You may send paper Form MO-W3 with paper copies of the 1099 tax statements, or compact disc(s) or flash drive(s) containing the data to:

Missouri Department of Revenue
P.O. Box 3330
Jefferson City, Missouri 65105-3330

If state taxes were withheld, the compact disc, flash drive, or paper 1099s must be accompanied by the Transmittal of Wage and Tax Statements (Form MO W-3). If state taxes were not withheld, a copy of Federal Form 4804 must accompany the compact disc or flash drive or Federal Form 1096 must accompany the paper 1099s.

Please refer to the [Missouri Employer's Tax guide](#) for more information on these filing methods.

Can I file my corrections electronically or on magnetic media?

No, we cannot process corrections electronically.

If after you have filed your Form 1099(s) electronically, you discover an error in amount of Missouri Withholding on the original 1099(s), you must correct it by remitting an amended Form MO-941. This form must be used to increase or decrease any previously reported tax amounts. Attach a copy of the corrected Form 1099(s) to the amended Form MO-941 and Form MO W-3. If you have discovered an incorrect figure was indicated on the original

Form MO W-3 or “K” Record; however, no changes need to be made to the amount of withholding: submit a new Form MO W-3 with the correct figures and check W-3 Corrected on the top left corner. Note: Do not send copies of 1099(s), if no change in withholding tax liability.

Am I required to submit a test file?

No, test files are not required.

Is there a filing deadline?

The filing deadline for 1099 tax statements is the last day of February. If any due date falls on a Saturday, Sunday or legal holiday, the statements must be filed by the next business day.

What is the earliest year I can submit using the Bulk Upload Application?

The earliest year that can be submitted using the Bulk Upload Application is tax year 2017.

Where do I send back-year data since I cannot submit it through the bulk upload application?

Mail all back-year information to:

Missouri Department of Revenue
P.O. Box 3330
Jefferson City, Missouri 65105-3330

Can I submit for multiple employers?

Yes. Multiple employers can be submitted within one file. Be sure to follow the IRS Publication 1220 instructions for including multiple employers in one file.

Do you return the data submitted?

No, data submitted becomes the property of the Revenue Administration Division and for security reasons it is destroyed after being successfully processed.

What if I am having difficulty creating my 1099 file?

If you are having difficulty in creating your 1099 file, please call us at 573-751-8150, or email to elecfile@dor.mo.gov or by fax to 573-526-5915. Every attempt will be made to assist you in resolving your problem.

If you do not have software capable of creating a properly formatted file, you will need to submit the 1099s on paper or CD/Flash drive.