



## Overview

Important: Always confirm filing deadlines and reporting requirements from official IRS sources.

The 1099 function allows you to print 1099's on preprinted laser forms and produce a file for electronic transmission to the IRS. Electronic filing eliminates the requirement to print Copy A and mail it to the IRS. If you file more than 250 returns, you are required to file electronically. We recommend that users file electronically because of the ease and convenience. The output file created by the software can be uploaded to the IRS FIRE system.

## Related Documents

For more information on how to send end of year statements to your owners, please refer to our help on how to [Email Owner Statements](#). If you publish end of year statements, please refer to our help on how to [Publish Annual Statements to HeroPM](#).

To avoid penalties for filing using names that do not match government records, please review our help document on [TIN Matching](#). If you want to send substitute 1099s to users as supplemental tax reporting documents, please review our help document on [Emailing Substitute 1099s](#).

## Quick Links to Individual Topics

1. [Preparing for Reporting](#)
  - a. [Tax Module](#)
  - b. [Who and What Gets Reported](#)
  - c. [Filing Deadlines](#)
  - d. [Fixing Errors](#)
  - e. [Test Printing / Printing Alignment](#)
2. [Reporting](#)
  - a. [Print 1099s](#)
  - b. [Print 1096](#)
  - c. [Print 1099 Substitutes](#)
  - d. [Create Electronic 1099s](#)
3. [Recommended Steps](#)

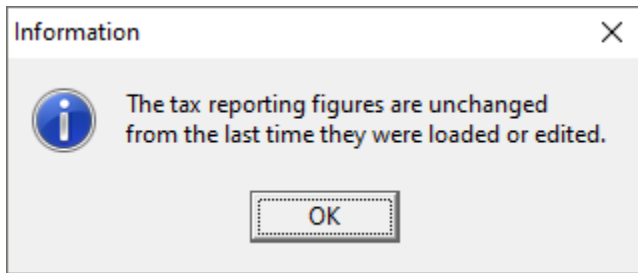
# 1. Preparing for Reporting

Information about Preparing for Reporting.

## a. Tax Module

Version: Make sure to update to the Tax Release or latest version before creating 1099s. Information about latest release can be obtained from [www.promas.com](http://www.promas.com), or by contacting the support staff ([support@promas.com](mailto:support@promas.com) or 800-397-1499).

**Important:** When first opening the tax module, the amounts and taxpayers will be loaded. Each time after, the amounts and taxpayers will be remembered from the previous time calculated and the below information message will appear each time after the first time being opened. [See Reload Returns below](#) for details on how to refresh the amounts and taxpayer information.



## Mailings > Tax Reporting

The screenshot shows the "Preview 1099s" window. At the top, there's a blue header bar with the text "Preview 1099s". Below this is a control panel with several elements:

- 1. Tax Year: A dropdown menu showing "2019".
- 2. Settings: A button.
- 3. Reporting Group: A dropdown menu showing "All Payers".
- 4. Display Returns: A dropdown menu showing "All Returns".
- 5. Limit To: A dropdown menu showing "No Filter".
- 6. Reload Returns: A button.
- 7. Print All: A button.
- 8. Order Tax Forms: A button.
- 9. Print Tax Forms: A button.
- 10. Generate Tax Files: A button.

Below the control panel is a table with the following columns: Taxpayer, Source & Filer, Amount, and Flags. The table contains 8 rows of data, all with "Rental Income" as the source and filer. The "Amount" column shows various values, and the "Flags" column has checkboxes for "Skip", "Error", and "Do Not Print".

At the bottom of the window, there is a "Help" button on the left, and "Report" and "Close" buttons on the right.

1. Tax Year - If the tax year does not say the current tax year, update Promas before proceeding.
2. Settings - Use the Settings button to change the tax year or minimum amounts for reporting. You can also reset it to the default values. The minimums are set per the tax code.
3. Reporting Group\* - There are 5 reporting groups to choose from:
  - a. Vendors Only – Will display and report only vendors.
  - b. Owners Only – Will display and report only owners.
  - c. Tenants Only – Will display and report only tenants.
  - d. Owners and Tenants Only – Will display and report only owners and tenants.
  - e. All Payers – Will display and report vendors, owners, and tenants.
4. Display Returns\* -The default display is to show all the returns.
  - a. All Returns – Will display all the returns and is the default.
  - b. Reported Returns – Will display all those not marked Skip, even if marked Do Not Print.
  - c. Printed Returns – Will display all returns that don't have the Do Not Print checkbox marked.
  - d. Unreported Returns – Will display all those marked Skip.
5. Limit To\*
  - a. No Filter
  - b. Below Reporting Limit
  - c. Reporting Error
  - d. Marked Do Not Print
  - e. Marked Override
  - f. Marked Skip

*\*Warning: Feel free to play around with these options. Just remember that when you print or report, only returns displayed on screen will be printed or submitted.*

6. Reload Returns – This is important to use at the beginning of tax reporting to verify all transactions from current tax year have been correctly calculated. You may see this message if the tax reporting module has already been opened prior to this use.

The screenshot shows a dialog box titled "Reload Returns" with a close button (X) in the top right corner. The dialog contains four checkboxes arranged in two columns. The first column has "Reload Amounts" and "Reload Taxpayer Information". The second column has "Exclude Returns with Override" and "Exclude Returns with Skipped". At the bottom of the dialog, there are three buttons: "Start Over", "Update Records", and "Cancel".

- a. Reload Amounts – This will recalculate the amounts but not change any address information you have modified in the 1099 function.
  - b. Reload Taxpayer Information – This will reload the address information from the profiles.
  - c. Exclude Returns with Override – This will affect only those records that have not been modified.
  - d. Exclude Returns with Skipped – This will only affect the records that haven't been marked skipped.
  - e. Start Over – This will recompile all information, no check boxes above need to be marked for this.
  - f. Update Records – This will recompile based on the check boxes above marked.
  - g. Cancel – This will cancel out of the screen without recompiling anything.
7. Print and Skip Buttons
    - a. Print None – This will toggle the “Do Not Print” check box for each line.
    - b. Print All – This will untoggle the “Do Not Print” check box for each line.
    - c. Skip None – This will toggle the “Skip” check box for each line.
    - d. Skip All – This will untoggle the “Skip” check box for each line.
  8. Order Tax Forms - This will open promasforms.com for purchasing of 1099 and 1096 forms as well envelopes and checks.
  9. Print Tax Forms – [See Printing tax forms below](#). This will give options to print Form 1099 Copies, Form 1096 Copies, Substitute 1099 and another option to order 1099 Forms from promasforms.com.
  10. Generate Tax Files – [See Create Electronic 1099s below](#). This will give options to generate tax reporting file and generate TIN matching file ([See Create TIN File](#)).
  11. Report – This will give a list of taxpayers, tax ID's, and amounts being reported.

## b. Who and What Gets Reported

Vendors, Owners and Tenants are candidates when determining taxpayers as long as there is a taxpayer ID and “Send 1099” must be marked in their profile. Profile status does not affect reportability (a profile can be inactive and will still be a potential candidate for reporting).

1. Vendors: Vendors’ amounts are determined on payments made throughout the year. If a payment was made to a one-time payee Promas will not include that. Payments can be adjusted (increased or decreased) under AP > Adjust Vendor Payments.

Date	12/31/2019
Vendor	LAWN: Lawn Doctor
Ledger	GOLDEN: Harrison S. Golden [Owner]
<input checked="" type="radio"/> Increase Vendor Payments <input type="radio"/> Decrease Vendor Payments	
Amount	\$650.00
Memo	Payment Not Recorded in Promas
Comment	
Payments for Year	\$48.83
Adjustment	\$650.00
Final Payments	\$698.83

2. Owners: Owners’ are determined on the transactions for the year limited to codes set up as taxable income. To review codes set up as taxable income, run the Chart of Accounts report located under Miscellaneous Reports. (Typically, only Rent and Late Fees are Taxable Income, review with a local tax authority if unsure).
3. Tenants: Tenants’ amounts are determined by the net of all released security deposit interest for the year.

## c. Filing Deadlines

Always check filing deadlines with the IRS before filing.

2019 Tax Year Dates:

Taxpayer	Due to Recipient	Due to IRS
Vendors	January 31	January 31
Owners and Tenants	January 31	February 28, paper copies March 31, electronic copies

d. Fixing Errors

To more easily determine records with errors, in the Limit To field choose Reporting Error.

Review each line item and note the changes that may need to be made. The reason for not being reportable is noted in the Error field.

Click on the line item with an error. This will put that line item into edit mode. The reason for the error will be indicated in the [Error] field. The most common reason is "Taxpayer Address Truncated". PROMAS allows more space for the address than the IRS does. Line 2 and Line 3 of the owner profile are combined onto one line for the 1099. If the number of characters exceeds 40 (the IRS limit) it is marked as an error.

The screenshot shows the 'Preview 1099s' interface. At the top, there are filters for Tax Year (2018), Reporting Group (All Payers), and Display Returns (All Returns). The 'Limit To' dropdown is set to 'Reporting Error'. Below this is a table with columns: Taxpayer, Source & Filer, Amount, and Flags. The first row shows 'David & Judy Fiscella' with 'Rental Income' of '\$3,189.03'. The 'Flags' column for this row has several checkboxes: 'Skip' (unchecked), 'Below Minimum' (unchecked), 'Error' (checked), 'Override' (unchecked), and 'Do Not Print' (unchecked). Below the table, there is an 'Error' field with the text 'Taxpayer Address Truncated' and a 'Minimum' amount of '\$600.00'. Red arrows point to the 'Limit To' dropdown and the 'Error' field.

Filer Address Truncated - To fix a " Filer Address Truncated " error go to Setup > Company and adjust the address. When you come back in to the 1099 function, click on Reload Returns > Start Over.

The screenshot shows the 'Preview 1099s' interface with a 'Reload Returns' dialog box open. The dialog box has a title bar 'Reload Returns' and a close button. It contains four checkboxes: 'Reload Amounts' (unchecked), 'Exclude Returns with Override' (unchecked), 'Reload Taxpayer Information' (checked), and 'Exclude Returns with Skipped' (unchecked). At the bottom of the dialog box, there are three buttons: 'Start Over', 'Update Records', and 'Cancel'. Red arrows point to the 'Reload Returns' button in the background interface and the 'Start Over' button in the dialog box.

Taxpayer Address Truncated – To fix a “Taxpayer Address Truncated” error, there are two options:

- First, the correction can be made inside of the tax function and will not affect the taxpayer’s profile. Click on the Edit 1099 button and then mark the Override 1099 Information checkbox to make the necessary changes. After making the adjustments, unmark the Error in 1099 (will be skipped) checkbox. Make the necessary adjustments to each of the Not Reportable line items.

**Preview 1099s**

Tax Year: 2018

Reporting Group: All Payers

Display Returns: All Returns

Limit To: Reporting Error

Taxpayer	Source & Filer	Amount	Flags
David & Judy Fiscella	Rental Income	\$3,189.03	<input type="checkbox"/> Skip <input type="checkbox"/> Below Minimum <input checked="" type="checkbox"/> Error <input type="checkbox"/> Override <input type="checkbox"/> Do Not Print
Judy Fiscella	Maple Inc.		
c/o Fiscella Trust Attorney, 123 Oregon W	311 Maple Ave.		
Saginaw, MI 54290	Vienna, VA 22182		
Taxpayer ID: 137-30-7749	Filer Tax ID: 13-4281472		
Error: Taxpayer Address Truncated	Minimum: \$600.00		

**Edit 1099**

1099 Type: Rental Income | Source: 17

**Taxpayer Information**

Name: Judy Fiscella | City: Saginaw  
 Address: c/o old owenr, 123 Oregon Way, Ste 14223 | State: MI  
 Saginaw, MI 54290 | ZIP Code: 54290  
 Taxpayer ID: 137-30-7749 | 1099 Amount: \$3,189.03  
 Foreign Address:  | Federal Withheld:   
 State Withheld (Informational Only):

**Filer Information**

Name: Maple Inc.  
 Address: 311 Maple Ave.  
 Vienna, VA 22182  
 Taxpayer ID: 13-4281472  
 Phone Number: 703-255-1400

Override 1099 Information  
 Skip 1099 (Not Reported)  
 Error in 1099 (Not Reported)  
 Below Minimum (Not Reported)

Error: Taxpayer Address Truncated | Minimum: \$600.00

Buttons: Help, Save, Close

- Second, the correction can be made in the taxpayer’s profile. Leave the tax function and fix the address in the taxpayer’s profile. This method is preferred if the address can be shortened and mail is still deliverable as this will mean the address won’t need to be corrected again in future years’ reporting’s. After correcting, make sure to reload returns.

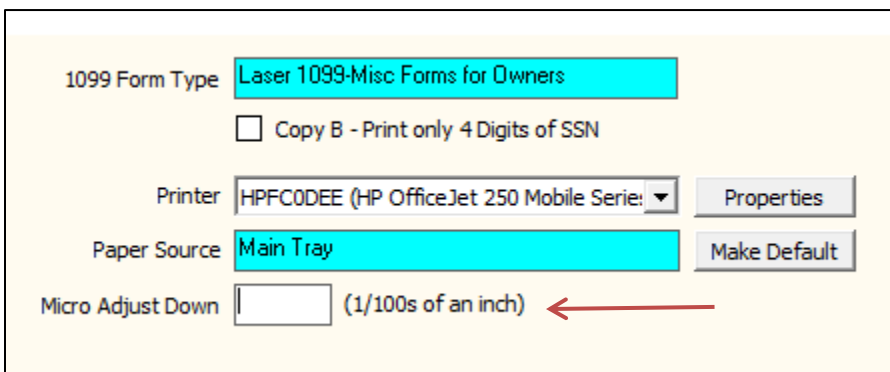
## e. Test Printing / Printing Alignment

It is a good idea to test print on a couple of extra form A's or blank paper that is then held up against the form A to verify printing and alignment. In order to get a good test, print 4-6 taxpayers at a time. The numbers should fall in the unshaded areas.

1. Go into Mailings > Tax Reporting.
2. Click the Print None button.
3. Click on a line item you want to print.
4. Unmark the Do Not Print checkbox for the ones you want to print (approx. 4-6 lines).
5. Change Display Returns to Printed Returns to see the ones you have chosen to print.
6. Click Print Tax Forms > Print 1099 Copies.

### Print Alignment

Not all printers start printing at the same registration point. You can adjust everything up or down on the form on the Print 1099 screen.



The screenshot shows the Print 1099 screen with the following settings:

- 1099 Form Type: Laser 1099-Misc Forms for Owners
- Copy B - Print only 4 Digits of SSN
- Printer: HPFCODEE (HP OfficeJet 250 Mobile Serie: Properties)
- Paper Source: Main Tray (Make Default)
- Micro Adjust Down: [ ] (1/100s of an inch) ←

Use the Micro Adjust Down (will appear after clicking Print 1099 Forms) to adjust the printing position for 1099s when the printer is not registering accurately. Use a minus (-) to move upward.

Example:

- The number 50 will move all printing down 50/100 (1/2) inch.
- The number -25 will move all printing up 25/100 (1/4) inch.

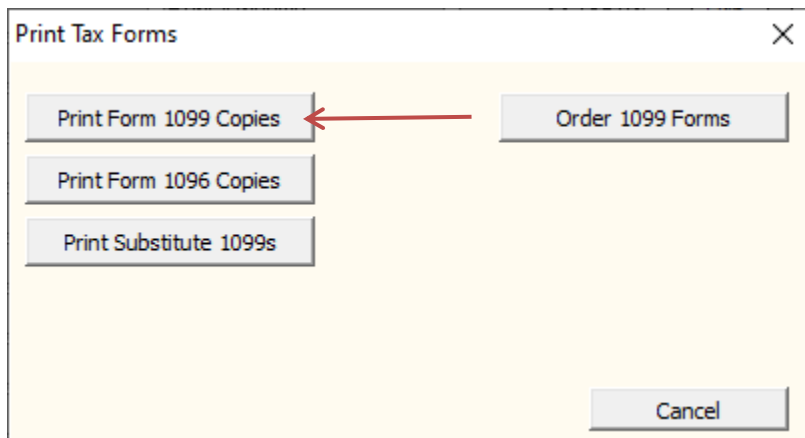


## 2. Reporting

After reviewing taxpayers, amounts, ID's, and correcting errors, the tax forms can then be created. The forms can be printed or filed electronically. If submitting more than 250 1099s, the 1099s must be submitted electronically.

### a. Print 1099s

Click Print Tax Forms button, then Print 1099 Copies.



The recipients displayed on screen are the ones that will print. If all Payers is selected, then the forms will print in three sets - Owners, Vendors, Tenants. The 1099 Form Type field on the Ready to Print 1099 screen indicates which set starts with a new 1099 form. After you print the owners the Ready to Print screen will redisplay with a form type of Vendors (if any are to be printed). After printing vendors, the screen will redisplay for tenants (if any).

The list of recipients can be changed by using the various filters and limitation. [See Tax Module above.](#)

Each laser form has two 1099s per sheet and consists of four sets:

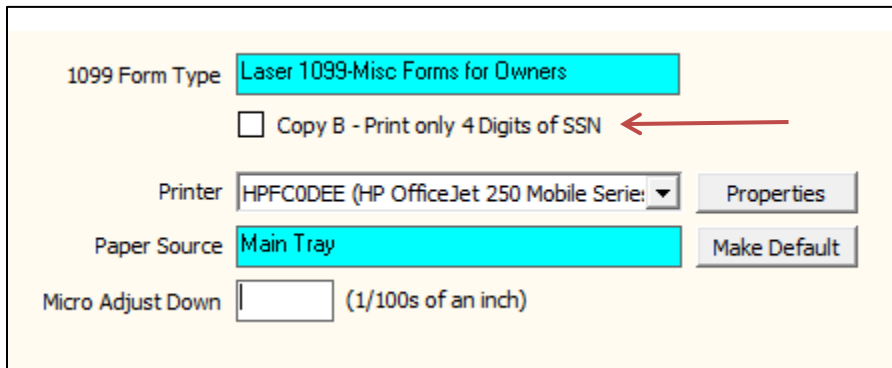
- A - IRS Copy
- B - Recipients Copy
- C - Payers Copy
- Copy 2 - State Copy

Laser forms are printed one set at a time. First print the 1099s using the Copy 2-State copy set. Then print the other sets. The forms can be printed or reprinted as many times as needed.

## Copy A – IRS Copy

Copy A is the one that is sent to the IRS. If filing electronically, Copy A is not needed. The blocks on this copy are slightly different than the others and have smaller areas for printing. The spacing was designed such that when the Payer identification numbers are in the White area of the block the other fields will be near the center of their appropriate boxes. [See Test Printing / Printing Alignment.](#)

## Copy B – Recipients Copy Print only 4 digits of SSN



1099 Form Type **Laser 1099-Misc Forms for Owners**

Copy B - Print only 4 Digits of SSN ←

Printer **HPFCODEE (HP OfficeJet 250 Mobile Serie:** Properties

Paper Source **Main Tray** Make Default

Micro Adjust Down  (1/100s of an inch)

Copy B is the one that is sent to the recipient, even if filing electronically. It is recommended to mark “Copy B – Print only 4 Digits of SNN” in order to replace the first five digits of the owner's social security number with X's. The IRS condones this practice.

## C - Payers Copy

Copy C is the copy that is kept for in office filing and future reference.

## Copy 2 - State Copy

Depending on your state, you may need 3, 4 or 5 parts. If your state requires five parts use a second Copy 2-State copy

\*There are also fields in which you can enter Federal tax Withheld and State tax Withheld. Federal tax will print in Box 4 on the 1099. State tax will print in Box 11. State tax is not reported on the Electronic file as it is not required by the IRS.

b. Print 1096

After printing the copy A forms for the IRS, print the 1096 form that must be printed to accompany them. Click on the Print Tax Forms button, then on the Print Form 1096 Copies button.

Transmitter Control Number	<input type="text" value="12345"/>
Name Control	<input type="text" value="4321"/>
Contact Name	<input type="text" value="Promas Help Document"/>
Contact Phone Number	<input type="text" value="703-255-1400"/>
Contact Email Address	<input type="text" value="support@promas.com"/>
	<input type="checkbox"/> Create a Test File
Transmitter Name	<input type="text" value="Promas"/>
Transmitter Address	<input type="text" value="PO Box 499"/>
	<input type="text" value="Vienna, VA 22183"/>
Transmitter Tax ID Number	<input type="text" value="123-12-1234"/> <input type="checkbox"/> Mark All B Records with Correction Code 'G'

2019 tax year only (Publication 1220). A test file has been approved by the IRS for Federal Filing.

- Transmitter Control Number – Supplied by the IRS.
- Name Control – Supplied by IRS. [See below for more information.](#)
- Contact Name – Company’s contact name (your name).
- Contact Phone Number – Company phone number.
- Contact Email Address – Company email address.
- Create a Test File – Mark this checkbox if you want to send a test file to the IRS before sending the real file.
- Transmitter Name, Address and Tax ID Number come from Setup > Company and Setup > Database Settings > Taxes. Verify the information in the protected fields and click Print.
- An information screen displays indicating the Printer, the number of copies and any form adjustments that need to be made. Read the message and then Click OK.

### c. Print 1099 Substitutes

Providing a substitute 1099 in lieu of a preprinted 1099 form is permissible only if you have received consent from the recipient (owner or vendor). Check with IRS for specifics. Providing a substitute 1099 prior to printing and mailing the paper 1099 is a convenient method to obtain feedback as to whether the amount is correct, especially for vendors whose returns must be filed with the IRS by January 31. We suggest that you provide a substitute 1099 early in January so that corrections can be done prior to filing.

The substitute 1099, when printed, will have instructions from the wording on the back of the preprinted 1099 – see sample on last page. It will include state tax information if that is entered into the record in the Tax Reporting module.

To create:

1. Go to Mailings > Tax Reporting.
2. Click the All Returns button.
3. Click the Reload Returns button.
4. Select Reporting Errors in Limit to field.
5. Fix any errors that show up.
6. Click the All Returns button.
7. Click the Print Tax Forms button.
8. Click the Print Substitute 1099 forms button.
9. Click OK and then Print.

#### d. Create Electronic 1099s

If you file more than 250 1099 records with the IRS, you are required to file electronically. We recommend, because of the ease and convenience of filing electronically, that everyone do so. The file created can be uploaded to the IRS FIRE system. Prior to submitting an electronic file you must have received a Transmitter Control Number and Name Control from the IRS. The form number used to get the codes is IRS form 4419. You can download this form from <http://www.IRS.gov> by doing a search on 4419. The PDF document is printable.

#### Create the Electronic File

When you have finished editing and reviewing the 1099 records, and are ready to file:

1. Click on the Generate Tax Files > Generate Tax Reporting File.
2. Review the terms and click the OK button.

Ready to Create Electronic Filing Output File

Profile Search  
Dashboard  
Internet Publishing  
Profiles  
AP  
AR  
GL  
Maintenance  
Reports  
Mailings

File Location: C:\Users\Lyn2016\Documents\Promas\Rental\Export\IRSTAX

Transmitter Control Number: 12345

Name Control: ZXCXV

Contact Name: Lyn Hanke

Contact Phone Number: 703-255-1400

Contact Email Address:

Create a Test File

Transmitter Name: Maple Inc.

Transmitter Address: 5450 Bee Caves Road, Ste 5D  
Austin, TX 78746

Transmitter Tax ID Number: 13-4281472

2016 tax year only (Publication 1220). Test file has been approved by the IRS.

Help Compile Cancel

3. The File Location designates the folder on your computer in which the IRSTAX file will be created. (This is the file you will send to the IRS.)
4. Fill in the Create Electronic Filing Output.
  - o Transmitter Control Number – Supplied by the IRS.
  - o Name Control – Supplied by IRS.
    - From IRS instructions: "The Payer Name Control can be obtained only from the mail label on the Package 1096 that is mailed to most payers each December. If a Package 1096 has not been received, you can determine your name control using the following simple rules or you can leave it blank: Use the first four

significant characters of the business name. Disregard the word "the" when it is the first word of the name, unless there are only two words in the name. A hyphen (-) and an ampersand (&) are the only acceptable special characters. Names of less than four characters should be left-justified, filling the unused positions with a blank."

- Contact Name – Company's contact name (your name).
  - Contact Phone Number – Company phone number.
  - Contact Email Address – Company email address.
  - Create a Test File – Mark this checkbox if you want to send a test file to the IRS before sending the real file.
5. Verify the information in the protected fields. The information comes from Setup > Company Profile and Setup > Database Settings > Taxes.
  6. Click Compile.
  7. An information screen displays indicating the number of records and the file name and location of the file created. Make note of it and click OK.
  8. You are now on a screen with the IRSTAX file highlighted.
    - We recommend that you change the name of the file: right click and choose Rename. Then rename it to something that will identify it for you. For example, the vendor file might be named IRSTAX-Vendors2017.
  9. You might also want to copy the file to another location like your Backups folder or another location for safe keeping.
  10. Click Close.
  11. Proceed with the electronic filing per the IRS FIRE procedures.

### 3. Recommended Steps

#### General

1. Compile all
2. Print Report
3. Fix Errors
4. Print Owner, Tenant, Vendor Copy B
5. Do Vendor Copy A - either print or electronic
6. Print owner Copy A or create owner electronic file.

#### Prior to January 31

1. Go to Mailings > Tax Reporting
7. Click All Returns button or in Reporting Group - choose All Payers
8. Click Reload Returns, click Start Over - this will load all owners, tenants, vendors
9. Click Report and Preview - review, then Close
10. In Limit To field, choose Reporting Error
11. Fix each error
12. In Limit To field choose No Filter
13. Click Print Tax Forms
14. Click Print Form 1099 Copies
15. Print Copy B for all - owners, tenants, vendors
16. Mail Copy B to all
17. Click Due in January button or in Reporting Group, choose January Deadline, Vendors
18. Click Print Tax Forms, then Print Form 1099 Copies (to print Copy A) or Generate Tax Files (to create electronic file) for vendors
19. Mail or Send to the IRS.

#### Prior to February 28 if you are mailing Copy A to the IRS

1. Go to Mailings > Tax Reporting
2. In Reporting Group choose March Deadline - Owners and Tenants
3. Click Print Tax Forms, then click Print Form 1099 Copies to print Copy A.
4. Mail to IRS.

#### Prior to March 31 1 if you are filing electronically with the IRS

1. Go to Mailings > Tax Reporting
2. Click Due in March button or in Reporting Group choose March Deadline - Owners and Tenants
3. Click Generate Tax Files to create electronic file for owners and tenants
4. Send to IRS.