



1099 Reporting in Version 12

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Overview

The electronic tax filing has been updated for 2022 and approved by the IRS. Please note that for 2020, 2021 and 2022 tax reporting there is a new form for vendors: 1099 NEC. Owners will still be reported on the 1099 MISC.

Important: always confirm [filing deadlines](#) and reporting requirements from official IRS sources.

Using 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 then mail to the IRS. If you file more than 250 records, 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.

1099s can be printed for owners, vendors and tenants. The process can be done at any time but the printing and magnetic media preparation should only be run after all transactions are posted for the calendar year. Only the transactions for the selected year will be considered. Printing onto the IRS designed forms may require some software adjustments to set the starting point on the page. Test print a few (at least 4) to assure the printing falls within the designated boxes. If your printer is not registering properly, refer to the Help on Adjust Printing.

The reported owner income is based on the net of all transactions for the year that have an [Account Type] of Taxable Income. The owner status is disregarded when determining 1099 candidates. Any owner – active or inactive – with the Send 1099 checkbox marked and with taxable income for the calendar year will be included.

Vendor amounts are determined by the net of all checks written during the year with that vendor as the payee. Checks posted to that vendor using the One Time Payee field are not included. Adjustments to the vendor totals can be posted using <<AP, Adjust Vendor Payments>>.

Tenant amounts are determined by the net of all released security deposit interest for the year.

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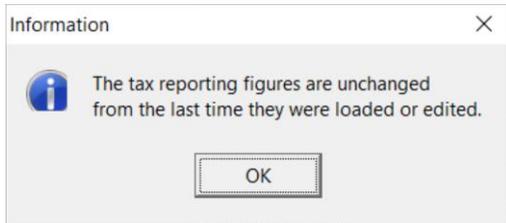
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Preparing 1099's

Go to Mailings, Tax Reporting. If a tax file exists it will be opened. If one does not exist it will be created.

A message will display indicating that the tax information has not changed since the last time they were loaded. If this is the first time you are going into the function since the last tax year please check the amounts.

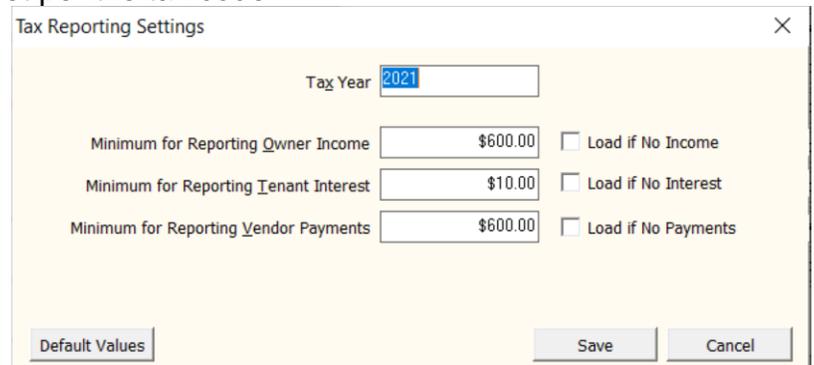


When the Preview 1099s screen displays you can review the list of potential 1099 recipients. There are three options to change the list of recipients that displays. These can be useful to identify those with errors, and to select only vendors for printing in January or only owners and tenants for reporting in February/March.

- **Reporting Group** – the default is All Taxpayers. Other choices are: Vendors Only, Owners Only; Tenants Only; Owners and Tenants; All Taxpayers.
- **Display Returns** – the default is All Returns. Other choices are: Reported Returns; Printed Returns; Unreported Returns.
 - The Printed Returns is all returns that don't have the Do Not Print checkbox marked.
 - Unreported Returns is all those marked Skip.
 - Reported Returns is all those not marked Skip, even if marked Do Not Print.
- **Limit To** – the default is No Filter. Other choices are: Below Reporting Limit; Reporting Error; Marked Do Not Print; Marked Override; Marked Skip.

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.



PREVIEW 1099 SCREEN

All Returns

Clicking this button will reload all taxpayer information and all amounts and change the Reporting Group to All Taxpayers.

Vendors Only

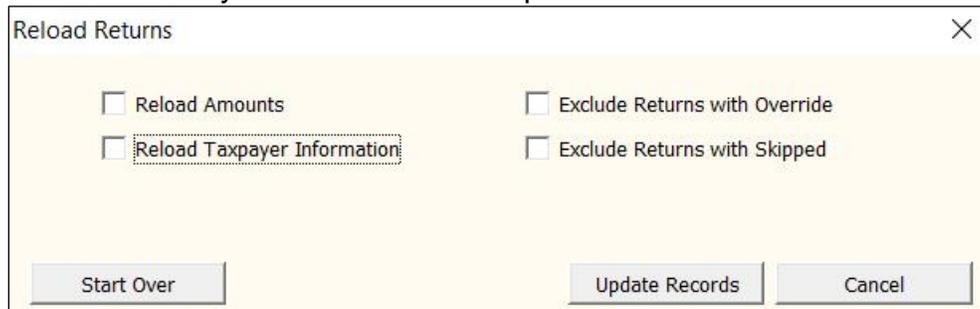
Clicking this button will load only Vendors.

Owners and Tenants

Clicking this button will load only Owners and Tenants.

Reload Returns

There are several checkboxes you can use to recompile the tax information.



Reload Returns

Reload Amounts Exclude Returns with Override

Reload Taxpayer Information Exclude Returns with Skipped

Start Over Update Records Cancel

- ❖ **Reload Amounts** – this will recalculate the amounts but not change any address information you may have modified in the 1099 function.
- ❖ **Reload Taxpayer Information** – this will reload the address information from the profiles.
- ❖ **Exclude Returns with Overrides** – this will affect only those records that have not been modified.
- ❖ **Exclude Returns with Skipped** – this will only affect the records that haven't been marked Skip.
- ❖ **Start Over** - will recompile all information.
- ❖ **Update Records** - will recompile based on the checkbox marked.

Print None / Print All - these buttons will toggle marking the Do Not Print checkbox for each line. If the box is marked that 1099 will not print. This can be used to test print just a few 1099s.

Skip All / Skip None - these will toggle marking the Skip button on each line.

Correcting 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' window for the year 2018. The 'Limit To' dropdown menu is set to 'Reporting Error'. Below the menu, a table lists taxpayer information. The 'Error' field for the taxpayer 'David & Judy Fiscella' is highlighted in red and contains the message 'Taxpayer Address Truncated'. Other fields include 'Rental Income' of \$3,189.03, 'Taxpayer ID' 137-30-7749, and 'Filer Tax ID' 13-4281472. A red arrow points to the 'Error' field.

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

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> and <Start Over>.

The screenshot shows the 'Preview 1099s' window for the year 2021. The 'Reload Returns' button is highlighted in red. A dialog box titled 'Reload Returns' is open, showing options to 'Reload Amounts', 'Reload Taxpayer Information', 'Exclude Returns with Override', and 'Exclude Returns with Skipped'. The 'Start Over' button is also highlighted in red.

Reload Returns

Reload Amounts Exclude Returns with Override

Reload Taxpayer Information Exclude Returns with Skipped

Start Over Update Records Cancel

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: 2022

Reporting Group: All Taxpayers

Display Returns: All Returns

Limit To: No Filter

Buttons: All Returns, Reload Returns, Order Tax Forms, Vendors Only, Print None, Skip None, Print Tax Forms, Owners and Tenants, Print All, Skip All, Generate Tax Files

taxpayer	Source & Filer	Amount	Flags
Carl Wayne Cheek	Rental Income	\$4,212.03	<input type="checkbox"/> Skip <input type="checkbox"/> Error <input type="checkbox"/> Do Not Print
Frederick L. Clayton	Rental Income	\$6,650.00	<input type="checkbox"/> Skip <input type="checkbox"/> Error <input type="checkbox"/> Do Not Print
David & Judy Fiscella	Rental Income	\$4,212.03	<input type="checkbox"/> Skip <input type="checkbox"/> Below Minimum <input checked="" type="checkbox"/> Error <input type="checkbox"/> Override <input type="checkbox"/> Do Not Print

Buttons: Edit 1099, Edit Taxpayer, Reload Taxpayer

Details for David & Judy Fiscella:

Name: David & Judy Fiscella
 Address: c/o Fiscella Trust Attorney, 1014 Wayne
 City: Saginaw, MI 54290
 Filer: New Realty Company
 Address: 311 Maple Avenue West
 City: Vienna, VA 22180
 Taxpayer ID: 137-30-7749
 Filer Tax ID: 55-7654321
 Error: Taxpayer Address Truncated
 Minimum: \$600.00

Edit 1099

1099 Type: Rental Income Source: 17

Taxpayer Information

Name: David & Judy Fiscella City: Saginaw
 Address: 1014 Wayne St State: MI
 City: Saginaw, MI 54290 ZIP Code: 54290
 Taxpayer ID: 137-30-7749 Foreign Address: 1099 Amount: \$4,212.03
 Federal Withheld:
 State Withheld (Informational Only):

Filer Information

Name: New Realty Company
 Address: 311 Maple Avenue West
 City: Vienna, VA 22180
 Taxpayer ID: 55-7654321
 Phone Number: 703-255-1400

Flags:

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

These adjustments will not change the owner profile. Once you start making adjustments, if you need to recompile, click on <Reload Returns> and <Reload Amounts>.

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.

Test Printing

When you want to print test 1099's or only want to print 2 or 3 pages (printing only one page - 2 1099's - is not a good test), which is 4 or 6 1099's, do the following:

1. Go into Mailings, Tax Reporting
2. Click the Mark All to Not Print 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
5. Change Display Returns to Printed Returns to see the ones you have chosen to print.
6. Click <Print Tax Forms>, then <Print 1099 Copies>.

When testing, use Copy A. Verify that the Payer and Recipient numbers are in the unshaded areas of Copy A. If you choose to use plain paper or copies of a set you don't need - usually copy 2 or copy C, compare it to Copy A to be sure the numbers will fall in the unshaded areas of Copy A.

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.

Micro Adjust down

Use this to adjust the printing position for 1099s when the printer is not registering accurately. Use a minus (-) to move upward.

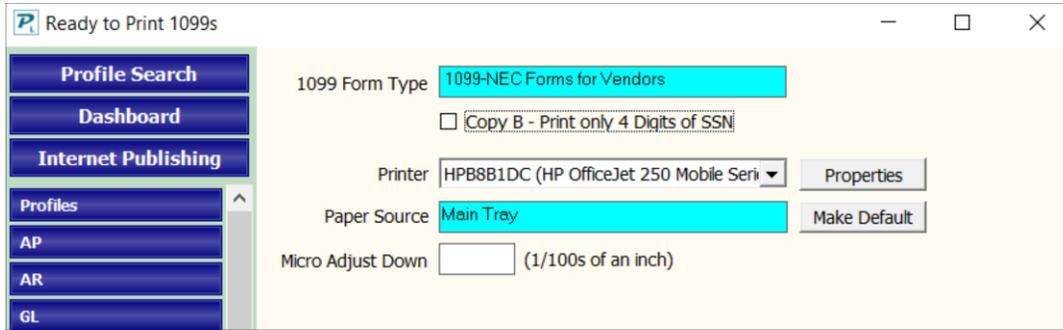
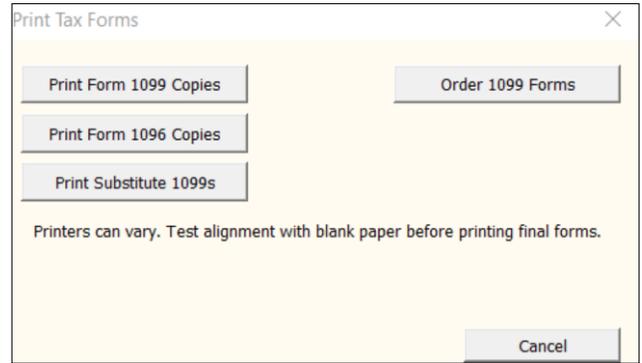
For example:

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.

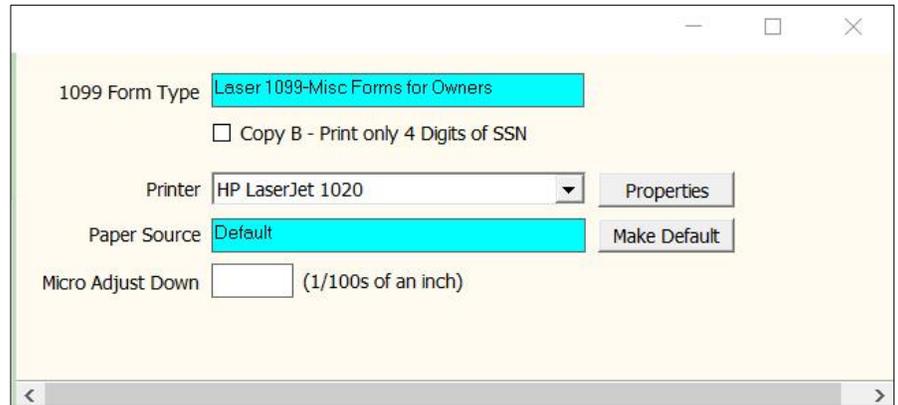
Print 1099's

Click <Print Tax Forms> button, then <Print 1099 Copies>. The forms are printed 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) – Note that vendors print on a 1099-NEC form, not a 1099-Misc. After printing vendors the screen will redisplay for tenants (if any).



To print a subset of the recipients use the <Mark All for No Printing> button, then unmark the <Do Not Print> checkbox for each one you want to print.

You can also use the Reporting Group field to select only vendors or only owners, etc.



Laser Forms

Laser forms for vendors – 1099-NEC – have 3 forms per page.

Laser forms for owners have two 1099 Misc per page.

The 1099 consists of four sets: A-IRS copy; B-Recipients copy; C-payers copy; 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.

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. You can print or reprint the 1099s as many times as you want.

Copy B - Print only 4 digits of SSN

When you print copy B we recommend you mark this checkbox to replace the first five digits of the owner's social security number with X's. The IRS condones this practice.

Copy A

Copy A is the one that is sent to the IRS. IF you file electronically you do not need Copy A. 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. Use the print alignment process above to position that line during the test printing.

Electronic Filing

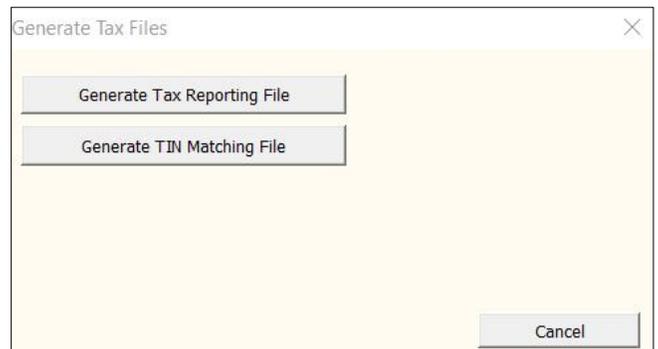
If you file more than 250 1099 records with the IRS, you are required to file electronically. We recommend, because of the ease and convenience of filing electronically, that everyone do so. The file created can be uploaded to the IRS FIRE system.

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.

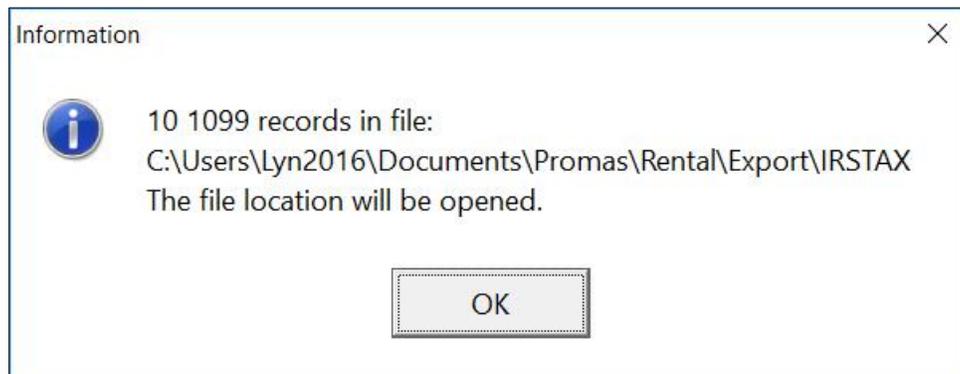
Create the Electronic File

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

- Click on the <Generate Tax Files>, then on <Generate Tax Reporting File>.
- Review the terms and click the <OK> button.
- 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.
- Fill in the Create Electronic Filing Output.
 - Transmitter Control Number – supplied by the IRS.
 - 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 – your name
 - Contact Phone Number – your phone number
 - Contact Email Address – your 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.



- Verify the information in the protected fields. The information comes from Setup, Company Profile and Setup, Database Settings.
- Click <Compile>.
- 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>.
 - 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.
 - You might also want to copy the file to another location like your Backups folder.
- Click <Close>.
- Proceed with the electronic filing per the IRS FIRE procedures.



Recommended Steps for doing 1099s

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 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

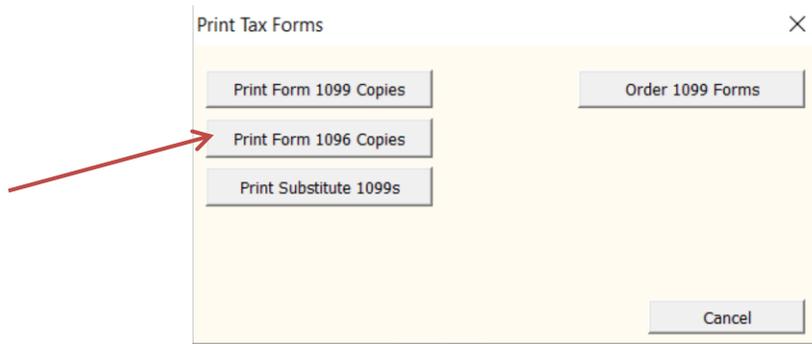
1. Go to <<Mailings, Tax Reporting>>
2. In Reporting Group choose Owners and Tenants
3. Click Print Tax Forms, then click Print Form 1099 Copies to print Copy A.
4. Mail to IRS.

Prior to April 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 Owners and Tenants
3. Click Generate Tax Files to create electronic file for owners and tenants
4. Send to IRS.

Print 1096 Form

After printing the copy A forms for the IRS you are ready to print the 1096 form that must accompany them. This is only necessary if you are printing and mailing the forms.



1. Click on the <Print Tax Forms> button, then on the <Print Form 1096 Copies> button.
 - a. Transmitter Control Number – supplied by the IRS.
 - b. 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."
 - c. Contact Name – your name
 - d. Contact Phone Number – your phone number
 - e. Contact Email Address – your email address
 - f. Create a Test File – mark this checkbox if you want to send a test file to the IRS before sending the real file.
2. Verify the information in the protected fields. The information comes from Setup, Company Profile and Setup, Database Settings.

3. Click <Print>.

4. An information screen displays indicating the Printer, the number of copies and any form adjustments that need to be made.
5. Click <OK>.

Filing Deadlines for year 2022 (filed in 2023)

¹
Deadlines for IRS Form 1099NEC:

Important dates

Filing Type	Due Date
Recipient copy	Jan 31, 2023
IRS Paper Filing	Jan 31, 2023
IRS eFile	Jan 31, 2023

Deadlines for IRS Form 1099MISC:

Important dates

Filing Type	Due Date
Recipient Copy (No Data in Box 8 or 10)	Jan 31, 2023
Recipient Copy (With Data in Box 8 or 10)	Feb 15, 2023
IRS eFile	March 31, 2023
IRS Paper Filing	Feb 28, 2023