

## MEMO

**From:** RKL eSolutions  
**Date:** November, 2021  
**Subject:** Tax Year 2021 1099s

### Critical Due dates:

1099-NEC (Non-employee compensation) must be filed with the IRS by January 31, 2022.

1099-MISC, 1099-INT and 1099-DIV are due February 28, 2022.

**Filing services generally require processing be done 3 days prior, though some will allow later but for an additional fee.**

### Overview:

The IRS has made only minor changes to 1099-MISC reporting for the tax year 2021. It is our expectation that this change – to allow for the reporting of cash payments for fish purchases – will not affect most companies that are required to submit 1099s. As such, most companies will not need a software update for 1099s for Tax Year 2021.

For further information on the reporting requirements for cash payments for fish purchases, please review the instructions from the IRS (Internal Revenue Service) Website for the 1099-MISC. Here is an excerpt from this document:

- Box 11 includes any reporting under section 6050R, regarding cash payments for the purchase of fish for resale purposes, from an individual or corporation who is engaged in catching fish.

See Reference Links at the end of the document for the link to additional information on the 1099-MISC.

The IRS has also made a minor change to the 1099-DIV. The IRS summarizes this change as: RICs and REITs should report any section 897 gains on the sale of United States real property interests (USRPI) in box 2e and box 2f.

After reviewing the 1099 information that can be tracked in Sage 500 ERP, we identified no additional changes that would be required for the 1099-NEC, 1099-DIV, or 1099-INT.

### What do you need to do for 1099 Reporting for Tax Year 2021:

If you applied the 1099 Update for Tax Year 2020 to your Sage 500 ERP environment you likely will not need anything else applied to your Sage 500 ERP system this year. This update would have been applied to your system early in 2021 as you completed your 2020 1099s.



If you are affected by the changes noted above for either the 1099-MISC or the 1099-DIV, please contact RKL Support and we will assist you in configuring your system to allow you to capture and report this information.

In order to print and submit your 1099s, you will have the below options. Please note that printing 1099s directly from Sage 500 ERP has not been supported by Sage since Tax Year 2016. Sage only supports the integration to Aatrix for processing 1099s. However, RKL has assisted clients with extracting the 1099 data for submission to other 1099 providers.

- If you are on a current version of Sage 500 ERP (assumes you applied the Tax Year 2020 update):
  - These are versions: 2021 (aka 8.1), 2019 (aka 8.0) and 2018 (aka 7.9).
  - Option 1: You can utilize the built in Aatrix integration.
    - Note: eFiling through Aatrix is an additional cost.
    - Aatrix will also print and mail 1099s to vendors for a fee.
  - Option 2: Utilize the Custom RKL View to Extract 1099 data for use with another solution
    - If you would like, you can engage RKL to assist in installing and utilizing a custom Business Insights Explorer View to capture the 1099 data for Tax Year 2021. With this, you can choose to work with another 1099 provider other than Aatrix, as well as review 1099 and other payment totals, and related information, efficiently.
    - For further details, please see the “Older Versions” section below
- If you are running an unsupported versions of Sage 500 ERP:
  - Sage will not provide any updates for versions 2017 (aka 7.8) and earlier.
  - If you are running an older version of Sage 500 ERP, RKL can assist you in extracting your 1099 data for submission to Aatrix or another 1099 service provider.
  - RKL’s solution will provide:
    - A custom Business Insights View that summarizes 1099 data for submission to a 1099 service provider.
    - The data that is exported from the RKL solution will not be formatted to meet the IRS submission requirements. Instead, this export will provide the data that is required to work with a filing company (such as Aatrix). The on-line services will eFile 1099’s for a fee. They will also print and mail 1099s to vendors for a fee.

**If you did not install the 1099 Update for Tax Year 2020 to your Sage 500 ERP environment...** please reach out to RKL and we can review and discuss your options as this prior update was significant. RKL will need to evaluate your specific situation to provide you with a quote to apply this update.



## Reference Links

IRS 2021 Instructions for Forms 1099-MISC and 1099-NEC

<https://www.irs.gov/pub/irs-pdf/i1099mec.pdf>

IRS Publication 1220 - Specifications for Electronic Filing of Forms

<https://www.irs.gov/pub/irs-pdf/p1220.pdf>

Aatrix Website

<https://www.aatrix.com/>