

1099 and W2 Tax Form Tips and Instructions for 2021

(Effective December 23, 2021)

The latest 2022 Payroll software updates are available now by using the “DP/Update” feature to get the latest State and Federal Tax Table updates. You must be on Version 7.52, or higher, to use the latest “DP/Update” feature.

This document outlines the various forms that can be used to print **W-2s** in the **Infinity POWER Payroll** module and **1099s** in the **Accounts Payable** module. There are a wide variety of form files that can be used depending on your specific needs. Make sure you have set your **Master Configuration** properly before attempting to print either set of documents.

To configure the proper form name in the **Payroll** module, go to the Windows Graphical Version (**GUI**) of Payroll by selecting “**Systems,**” “**Payroll,**” “**Set Up and Maintenance,**” and “**Payroll Configuration**” as shown below.

Make sure you are in the latest version of the **Infinity POWER** software (**Version 7.52 or higher**). You will enter the desired “**W-2 Form**” name at the top right of the screen as circled in “**red.**”

Configuration window, G/L Accounts tab. Fields include:

- Departments:
- Rate Override:
- Workers Comp. Class:
- Variable OT Calculation:
- FICA Override:
- Allocate Dept. Overhead:
- Allow Check Reprint:
- Default Pay Cycle: Bi-Weekly
- Minimum Wage: \$10.00
- Social Security Tax %.: 6.20 %
- Social Security Limit: \$147,000.00
- Medicare Tax %.: 1.45 %
- Medicare Tax Limit: \$999,999.99
- Emp. Federal ID Number: 69-7482328
- Emp. State ID Number: 3679202
- W-2 Form: **W2** (circled in red)
- Employee Review Form: REV
- G/L Journal Number: 04 Checking - Payroll
- Hours Decimals: 2
- Rate Decimals: 2
- Next Check Number: 195
- Check Form: STUB
- JC Detail Type: Employee Name
- Direct Deposit Form: DSTB
- Checking Account: 3

To configure the Accounts Payable module for **1099s**, select the options “**Systems,**” “**Accounts Payable,**” “**Set Up and Maintenance,**” “**Accounts Payable Configuration.**”

The following screen will be displayed:

Configuration window, Terms and Retainage tab. Fields include:

- Vendor Label: Supplier
- Special Field: Vend Type
- Employer ID: 59-7464635
- Form 1099: **1099** (circled in red)
- Minimum 1099: \$600.00
- Default Bank Acct: 1
- Allow Check Re-Printing:
- Cash Basis:
- Invoices on Check Register:
- Include Paid Items on Inq.:
- G/L Journal Number: 08 Accruals - Payable
- Reduce quantity on order in IM:
- Voucher Unique Invoice #'s:
- Display Vendor Comments:

Buttons: OK, Cancel, Apply

This will be the form file name (**circled in red**) used when printing **1099s** from the system. There are several variations available. The following sections describe the variations of **W-2** and **1099** forms available for printing.

1099 and W2 Tax Form Tips and Instructions for 2021

It is possible that, depending on your specific printer, some forms may print one space or line off in any given direction. Should this occur, there is a utility within the **Infinity POWER Windows Graphical (GUI)** version of the product that will allow you to adjust the form to conform specifically to your printer locally.

When you select to print either a **W-2** or **1099**, as shown in the following example, you will be prompted to select your Output Option (*i.e. printer*). Once you have selected your printer, look just below the selected printer in the section titled “**Printer Settings**,” under the Color section, there are two **Offset** options. These offset options are designed to allow the user to adjust any report or form up or down on their specific printer on a temporary or permanent basis, depending on whether you save the settings or not.

Choosing the **Horizontal Offset** will move the printing functions left or right on the form. Selecting the **Vertical Offset** will move the printing functions up or down on the form. Start by entering a number such as **0.10** for moving the form up or down one tenth of an inch at a time in the **Vertical Offset**. Entering a number such as **-0.10** will move the form the opposite direction.

The screenshot shows a dialog box titled "Output Options - Vendor 1099's". On the left, under "Destination", the "Printer" radio button is selected. The "Printer Settings" section shows the printer as "HP LaserJet 4050 Series PCL 5 (Copy 1)", description as "Vendor 1099's", font as "Microsoft Sans Serif", and color as "Black". The "Horz. Offset" is set to "0.00" and the "Vert. Offset" is set to "-0.10", which is circled in red. There are "Printer..." and "Save" buttons next to the offset fields. Below this is the "Display Settings" section with fields for Name, Size, Bold, Italic, Strikeout, and Underline, along with "Fonts..." and "Save" buttons. To the right are sections for "Text File Settings", "Excel File Settings", and "E-Mail Settings", each with a "File Name" field, a "Browse" button, and an "Overwrite File" checkbox. At the bottom of the dialog are "Defaults", "Continue", "Apply", and "Cancel" buttons.

*** * * WARNING * * ***

If Data Pro, or your Dealer, has modified a W-2 or 1099 form for you in previous years to accommodate your specific printer(s) and the form name does not match one of the form names listed in the following sections, then this form has not been adjusted for the current IRS reporting requirements. You have a custom form that needs to either be modified again or you may want to consider using one of the standard forms below.

W2 Form File Descriptions

If you are utilizing **Mag Media**, you **MUST** be on **Version 7.52 or higher**.

The various **W2** form files are described below:

- 1) Form file **W2** is the standard, and will function properly in most instances.
- 2) Form file **W2U** prints one line higher than the standard form.
(U = Up, DN = Down)
- 3) Form file **W2DN** prints one line lower than the standard form. It may be necessary to use form **W2DN** with ink jet style printers.
- 4) Form file **W24** is the form for printing four up per employee, per page on a LaserJet printer.

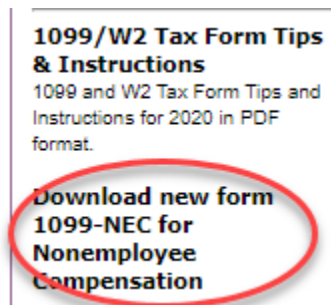
1099 Form File Descriptions (All Versions)

Except where specified, all **1099** form files will print to **HP LaserJet** compatible, **Dot Matrix**, **HP DeskJet** printers. The various **1099** form files are described below. There were changes made in 2021 to specific 1099 forms as described herein:

1. There first major change for 1099s involved the 1099 Miscellaneous Form. **Box 7** was modified from 2019 in which it had printed “**Nonemployee Compensation**” dollar amounts. For 2021, **Box 7** now is a checkbox for “**Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale.**” Since it is now just a checkbox, the **1099 MISC** form (**AP1099.frm**) file has been adjusted to print this amount in **Box 3** which is stated as “**Other Income.**”

Additionally, a new form file has been added to this update (**AP1099N.frm**) to accommodate the printing of the Nonemployee Compensation dollar amounts. This amount prints in **Box 1** of the new 1099 form (**FORM 1099-NEC**). This was a **NEW FORM** file in **2020**. If you downloaded this form last year, then the **DP/Update** option will automatically download the file update to your system because it now exists on your system.

2. However, if you **DID NOT** download this form last year, then, you must go to the home page on www.dpro.com and click on the “**Download new form**” option to save the file to your accounting system (as shown below):



3. The 1099 Form for reporting **Attorney Fees (AP1099A.frm)** has been modified. The dollar amount that used to print in **Box 14** now is printing in **Box 10**.
4. The 1099 Form for **Crop Insurance (AP1099C.frm)** has been modified. The dollar amount that used to print in **Box 10** now is printing in **Box 9**.

- 1) **1099** is used to prints to a checkbox “**Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale.**” Since it is now just a checkbox, the **1099 MISC** form (**AP1099.frm**) file has been adjusted to print this amount in **Box 3** which is stated as “**Other Income.**”

Variations: 199U and 199DN (U = Up, DN = Down)

- 2) **1099N** – Additionally, a new form file has been added to this update (**AP1099N.frm**) to accommodate the printing of the Nonemployee Compensation dollar amounts. This amount prints in **Box 1** of the new 1099 form (**FORM 1099-NEC**). Make sure to download the new file from our web site as instructed above.
- 3) **1099R** is used to print the **Rents** dollar amount in **Box 1** on the **1099-MISC** form. **Variations: 199RU and 199RD (U = Up, D = Down)**
- 4) **1099K** is used to print the **Royalties** dollar amount in **Box 2** on the **1099-MISC** form. **Variations: 199KU and 199KD (U = Up, D = Down)**
- 5) **1099F** is used to print the **Fishing Boat Proceeds** dollar amount in **Box 5** on the **1099-MISC** form. **Variations: 199FU and 199FD (U = Up, D = Down)**
- 6) **1099P** is used to print the **Prizes and Awards, etc.** dollar amount in **Box 3** on the **1099-MISC** form. **Variations: 199PU and 199PD (U = Up, D = Down)**
- 7) **1099I** is used to print the **Interest Income** dollar amount in **Box 1** on the **1099-INT** form. **Variations: 199IU and 199ID (U = Up, D = Down)**
- 8) **1099D** is used to print the **Ordinary Dividends** dollar amount in **Box 1** on the **1099-DIV** form. **Variations: 199DU and 199DD (U = Up, D = Down)**
- 9) **1099G** is used to print **Capital Gain Distributions** dollar amount in **Box 1b** and **2a** on the **1099-DIV** form. **Variations: 199GU and 199GD (U = Up, D = Down)**

- 10) 1099A** – This 1099 form is used to print the **Gross Proceeds paid to an Attorney**. This form for reporting **Attorney Fees (AP1099A.frm)** has been modified. The dollar amount that used to print in **Box 14** now is printing in **Box 10**. **Variations: 199U and 199DN (U = Up, DN = Down)**
- 11) 1099M** is used to print fees paid for **Medical and Health Care Payment** dollar amounts in **Box 6** on the **1099-MISC** form. **Variations: 199U and 199DN (U = Up, DN = Down)**
- 12) The 1099 Form for Crop Insurance (AP1099C.frm)** has been modified. The dollar amount that used to print in **Box 10** now is printing in **Box 9 on the 1099-C** form.

The **Standard Form Files** will function properly in most instances. Otherwise, use the Offset Utility as described earlier to make minor adjustments to accommodate your specific printers.

The 1099 Magnetic Media filing option has been updated for **2021** as well. This accommodates the breakout of the new 1099 NEC separation just like the printed forms.

The screenshot shows a dialog box titled "Vendor 1099's on Magnetic Media" with a "Tools" menu and a "Launch" button. The fields are as follows:

- Company: dpa (dropdown)
- Transmitter Control Code: 50334
- Drive: C
- Contact Name (Required): Trish Hartsock
- Test File Indicator:
- Vendor Range:
 - Beginning Supplier #: 2197629577 (dropdown) Landmark Outdoor Advertising (Using Vendor # key)
 - Ending Supplier #: ZENITH (dropdown) Zenith Insurance Company
- Form type:
 - Nonemployee Compensation (1099-NEC)
 - Rents (1099-MISC)
 - Royalties (1099-MISC)
 - Fishing Boat Proceeds (1099-MISC)
 - Prizes and Awards (1099-MISC)
 - Interest Income (1099-INT)
 - Ordinary Dividends (1099-DIV)
 - Capital Gains Distr. (1099-DIV)

Buttons: OK, Cancel