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Isaac M. O'Bannon • Oct. 27, 2016

Every tax year brings a variety of changes, whether forms are updated or regulations have changed. This year, there's a major change that businesses and their advisors need to really keep an eye on: The deadline for submitting Form W-2 to the Social Security Administration and Form 1099-MISC to the Internal Revenue Service has been moved up.

Beginning in 2017, for the 2016 reporting year, businesses are required to send W-2 and some 1099-MISC form recipient copies, and submit copies to the SSA/IRS, by January 31. This is regardless of whether the forms are being paper filed or electronically filed. Previously, filers had until as late as March to file some 1099s. The filing deadline for 1099-MISC only applies to businesses reporting nonemployee compensation payments in box 7. With the new filing deadlines coming so early this year, end-of-year workloads and stress will increase, so it would be prudent to be prepared for these tasks before it's too late.

The new deadlines are being imposed by the IRS in an effort to make tax documents more readily available to taxpayers prior to April 15, reducing the need for taxpayers to request automatic extensions while they wait for some of their tax documents. Additionally, the IRS can better cross reference tax source documents on a taxpayer's return when they have been filed earlier.

Greatland Corporation, one of the country's leading providers of W-2 and 1099 products for businesses, is stressing the importance of understanding the new deadlines and the impact these will have on filers. Historically, filers were required to provide W-2 and 1099-MISC forms to recipients by January 31; however, they were

not required to submit the forms to the SSA/IRS until February 28 (paper) or March

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wait to find out if any changes were needed prior to filing to the SSA/IRS, which lessened the risk for possible corrections. Due to the earlier deadline in 2017, businesses may need to abandon this strategy and consider filing to recipients and the SSA/IRS concurrently.

To further complicate January's filing deadlines, the IRS recently eliminated the automatic 30-day extension of time to file W-2 forms. Previously, filers could obtain an automatic 30-day extension by submitting Form 8809 to the IRS on or before January 31. Filers could also request an additional 30-day extension, pushing their e-file deadline to the end of May. These automatic extensions will no longer be available when filing W-2 forms for tax year 2016.

"At Greatland, we believe it is extremely important to explain the new early deadlines and the effect they will have on filers in 2017," said Bob Nault, Greatland's CEO. "We don't expect most businesses to understand the intricacies surrounding reporting, which is why we are proactively informing our customers of these changes and have a knowledgeable team ready to help."

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