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applications designed to work with numerous software applications and operating platforms.

Mary Girsch-Bock • Dec. 21, 2020

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		2020 Form 1099-NEC		Nonemployee Compensation	
		1 Nonemployee compensation \$		Copy 1 For State Tax Department	
PAYER'S TIN	RECIPIENT'S TIN	2			
RECIPIENT'S name		3			
Street address (including apt. no.)		4 Federal income tax withheld \$			
City or town, state or province, country, and ZIP or foreign postal code					
		FATCA filing requirement <input type="checkbox"/>			
Account number (see instructions)		5 State tax withheld \$	6 State/Payer's state no.	7 State income \$	

For years, it's been the same process. You or your client hires someone to perform contract work, for which they're paid. At the end of the year, these contractors receive a 1099-MISC to report the money that they earned.

But 2020 will be different. While you'll still be sending 1099s, it won't be 1099-MISC, but 1099-NEC, which stands for Non-Employee Compensation. While 1099-MISC will still be used, it will no longer be used to report the earnings of contract employees.

With the effects of COVID-19 wreaking havoc with businesses worldwide, more

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assessed due to filing forms late or not filing forms at all, which is why so many clients have turned to their accountants to file their 1099 forms for them.

Of course, 1099s aren't the only year-end form that is required. Whether you or your clients employ a single employee or thousands, if you have an employee, you need to process W-2s. In most cases, W-2s are processed by a payroll service, but if you handle payroll in-house, you're responsible for getting these forms out to your employees as well as filing them at year end. And like, 1099s, there are fees that grow to be astronomical depending on how late you are in filing those reports.

Luckily, there's W-2/1099 software available. While most of these programs do the same thing; process and file W-2s and 1099s, some of the features and functions can vary. If you're not sure if W-2/1099 software is a good choice for you, or if you're interested, but not sure where to start, this issue of CPA Practice Advisor can help.

We reviewed 11 W-2/1099 software applications, most of which are stand-alone applications designed to work with numerous software applications and operating platforms.

Most companies that offer W-2/1099 software applications are updated in the fall for use at the beginning of the following year. With the new 1099-NEC form, that update may occur even sooner. In all likelihood, these applications are available for the 2020 tax year right now.

A combination of on-premise and online products is included in the reviews.

Products reviewed include:

- [AccountantsWorld – After-the-Fact Payroll](#)
- [American Riviera Software – Magtax](#)
- [AMS – W-2 and 1099 Forms Filer](#)
- [CCH – Payroll Compliance Reporting](#)

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