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for 1099 forms, tax identification number (TIN) matching, electronic filing, ...

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Global tax software provider [Sovos](#) has acquired California-based 1099 Pro, a leading provider of software and services for tax information reporting, including solutions for 1099 forms, tax identification number (TIN) matching, electronic filing, Affordable Care Act (ACA) reporting and more. The acquisition brings together two long-standing industry leaders and significantly broadens Sovos' offerings for small and medium-sized businesses as the tax information reporting landscape undergoes rapid regulatory changes that affect every business operating in the United States.

One significant example of these shifts is the IRS decision to exclude the new 1099-NEC form for non-employee compensation from the Combined Federal/State Filing

program. This change left businesses with a messy challenge in the 2020 tax season,

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services, payroll and 1099/1042-S tax withholding solutions, unclaimed property reporting and more,” said Paul Banker, vice president and general manager of Tax and Regulatory Reporting at Sovos.

The complexity of tax information reporting has increased with the Form 1099 NEC change, as has the cost of printing and mailing forms to recipients. Meanwhile, the threshold for electronic filing will fall in 2021, requiring smaller filers to obtain approved transmitter codes for tax information reporting. This is a requirement many SMBs aren't equipped to meet with homegrown solutions or manual efforts.

“With disparate reporting obligations at the federal and state levels, as well as lower thresholds for reporting requirements, companies of all sizes need expert-backed software and services to stay compliant,” said Andy Hovancik, CEO, Sovos. “The acquisition of 1099 Pro dramatically expands the Sovos customer base with tens of thousands of customers, as well as enterprise users in higher education; oil and gas; gaming; local, state and federal government agencies; and other industries.”

1099 Pro CEO Ray Stewart said, “After more than three decades in business, 1099 Pro will join Sovos' qualified team of regulatory and technology experts, all for the benefit of our 30,000+ customers. This comes at a critical time for businesses, and Sovos' broad suite of solutions will further equip 1099 Pro customers to meet the growing challenges of tax and regulatory reporting.”

John Gledhill, vice president of corporate development for Sovos, said, “With our third acquisition of the new fiscal year that began on July 1, Sovos reaffirms its commitment to meet the modern tax needs of every company, from SMBs to enterprises, so those businesses can prosper while their communities thrive by collecting the revenue they are owed.”

The terms of the deals were not disclosed. Sovos is owned by Hg, the London-based

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