

Payroll Get Ready — Employers Face New January 31st Filing Deadline for W-2 and 1099-MISC Forms

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Beginning with **W-2** forms filed with respect to 2016 wages, a new law requires employers to file the government copy by January 31, 2017, for both paper and electronic copies. The accelerated deadline also applies to **1099-MISC** forms for independent contractors.

The **Internal Revenue Service (IRS)** recently issued IR-2016-143, a reminder to employers of the new filing deadlines for W-2 forms used to report employee wages, as well as 1099-MISC forms issued to report remuneration to independent contractors. The new rule is required by the **Protecting Americans from Tax Hikes (PATH) Act**, enacted last December. Employers must now submit copies of W-2 forms to the Social Security Administration by January 31, 2017, for wages earned in 2016. The new January 31 filing deadline also applies to certain 1099-MISC forms reporting non-employee compensation, such as payments to independent contractors. Previously, employers typically had until the end of February, if filing on paper, or the end of March, if filing electronically, to submit copies of W-2 forms to the Social Security Administration.

New rules also apply for employers requesting an extension to file W-2 forms. Only one 30-day extension to file W-2 forms is available and the extension is not automatic. If an extension is necessary, a Form 8809 Application for Extension of Time to File Information Returns should be completed as soon as the employer knows an extension is necessary, but no later than January 31.

Employers should note that section 6722 of the Internal Revenue Code applies significant penalties for late-filed or incorrect information returns, including W-2 and 1099-MISC forms.

The IRS hopes that the accelerated deadlines will enable it to improve its efforts to spot errors on returns filed by taxpayers, and make it easier for the IRS to verify the legitimacy of tax returns, thus preventing fraud. The IRS also hopes that the earlier deadlines will enable the IRS to release tax refunds to workers more quickly than in the past.

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