

MEMO

From: RKL eSolutions
Date: November, 2022
Subject: Tax Year 2022 1099s for Companies using Sage 500 ERP

Critical Due dates:

1099 delivery to recipients is required by January 31, 2023.

1099-NEC (Non-employee compensation) must be filed with the IRS by January 31, 2023.

1099-MISC, 1099-INT and 1099-DIV are due to the IRS by February 28, 2023.

Filing services generally require processing be done 3 days prior, though some will allow later but for an additional fee.

Overview:

The IRS has made changes to 1099-MISC reporting for the tax year 2022. This change may or may not affect you for tax year 2022. This will be dependent on whether or not you report specific types of information on the 1099-MISC.

If you report any of the following on your 1099-MISC you will need to update your Sage 500 ERP to reflect the changes made by the IRS:

- Foreign Account Tax Compliance Act (FATCA) filing requirement
- Excess gold parachute payments
- Payment under NQDC plans
- State-withheld taxes, state Income and associated payer's state number

Important information about 1099s and Sage 500 ERP

It is important to note that Sage 500 ERP has not supported the printing of 1099s directly from Sage 500 ERP since Tax Year 2016. It is possible that you or your Sage 500 ERP partner updated your environment to support the IRS changes for Tax Years 2017 through 2019. However, with the significant change in 2020 when the IRS introduced the 1099-NEC this approach was widely abandoned.

Today, the primary methods for completing 1099 reporting for users of Sage 500 ERP are the following:



- Utilization of the Sage 500 ERP integration with Aatrix
 - This approach can be utilized by companies that are currently on supported Sage 500 ERP versions
 - Supported versions: 2018 (aka 7.9), 2019 (aka 8.0), 2021 (8.1) and 2023 (8.2)
- Export of 1099 Data for upload to a 1099 Processing Service
 - This approach can be utilized by any company that is using Sage 500 ERP.
 - There are many companies that can be used for 1099 reporting – similar to Aatrix – which allow you to upload your data for processing.
 - RKL can provide you with a customized view of your data to allow you a more streamlined export of the 1099 data.

Changes for 2022 Form 1099-MISC:

The IRS has made changes to Form 1099-MISC for the 2022 tax year. The following outlines the changes and there is a sample of what the new 1099-MISC looks like for tax year 2022 below.

Changes to form 1099-MISC for tax year 2022 vs tax year 2021.

- Box 13 is now a checkbox used to report the Foreign Account Tax Compliance Act (FATCA) filing requirement.
 - Based on this change, boxes 13-17 from the 2021 form have been renumbered.
- Box 14 is used to report excess gold parachute payments.
- Box 15 is used to report payment under NQDC plans.
- Box 16 is used to report the state-withheld taxes.
- Box 17 is used to report the payer's state number.
- Box 18 is used to report the state income.



Sample of Form 1099-MISC for 2022:

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PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Rents \$	OMB No. 1545-0115 Form 1099-MISC (Rev. January 2022) For calendar year 20 ____		Miscellaneous Information Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the current General Instructions for Certain Information Returns.
		2 Royalties \$			
		3 Other income \$			
4 Federal income tax withheld \$					
PAYER'S TIN	RECIPIENT'S TIN	5 Fishing boat proceeds \$	6 Medical and health care payments \$		
RECIPIENT'S name		7 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>	8 Substitute payments in lieu of dividends or interest \$		
Street address (including apt. no.)		9 Crop insurance proceeds \$	10 Gross proceeds paid to an attorney \$		
City or town, state or province, country, and ZIP or foreign postal code		11 Fish purchased for resale \$	12 Section 409A deferrals \$		
Account number (see instructions)		13 FATCA filing requirement <input type="checkbox"/>	14 Excess golden parachute payments \$	15 Nonqualified deferred compensation \$	
2nd TIN not. <input type="checkbox"/>		16 State tax withheld \$	17 State/Payer's state no.	18 State income \$	

Form **1099-MISC** (Rev. 1-2022) Cat. No. 14425J www.irs.gov/Form1099MISC Department of the Treasury - Internal Revenue Service
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After reviewing the 1099 information that can be tracked in Sage 500 ERP, we identified no additional changes that would be required for the 1099-NEC, 1099-DIV, or 1099-INT for tax year 2022.

What do you need to do for 1099 Reporting for Tax Year 2022:

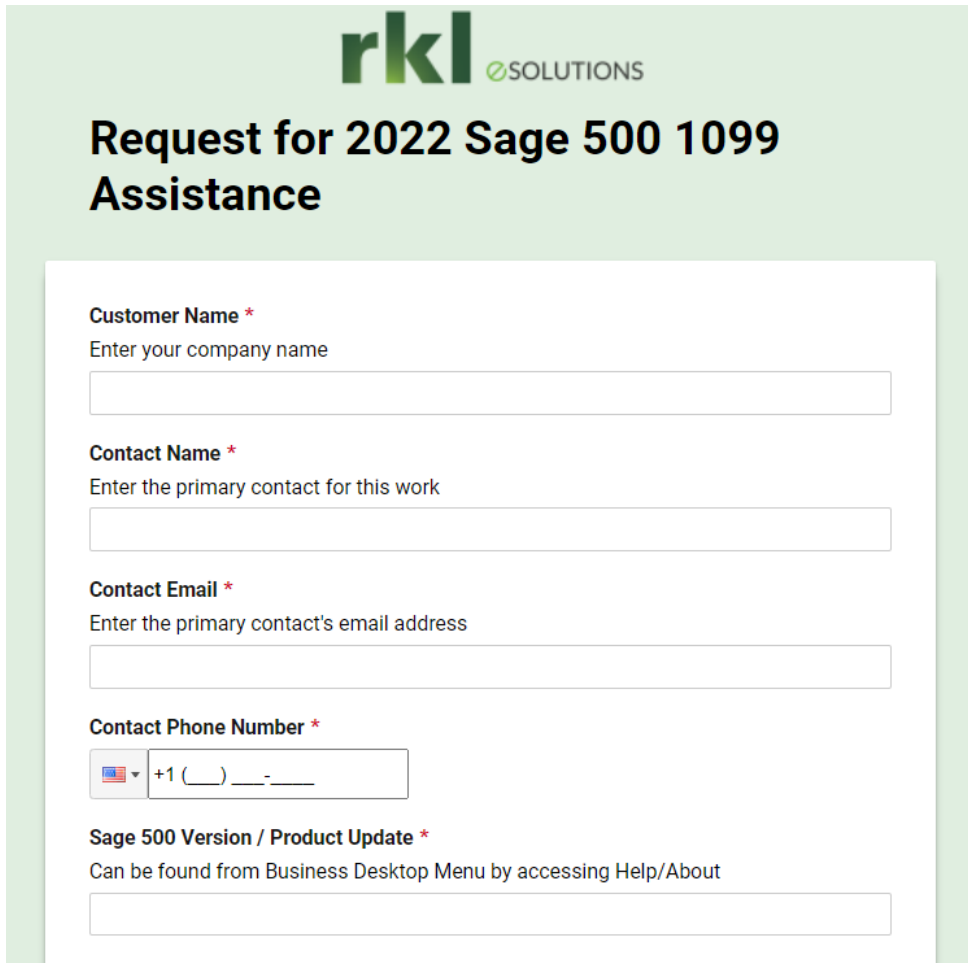
If you Sage 500 ERP software was updated to support the 1099 updates provided through tax year 2021, you may choose to skip the update this year if you do not have any of the 1099 reporting requirements outlined in the section *Changes for Form 1099-MISC for tax year 2022.*

If you want to keep your software current with the most current 1099 tax rules or need the update to report for 2022, you will need to apply the 1099 update once it is released by Sage. If you are running an unsupported version of Sage 500 ERP, then you can consider upgrading or having the update retrofit to your version.

If you have questions or need assistance with applying the 1099 update, please contact RKL Support and we will assist you in configuring your system to allow you to capture and report this information.

Requesting assistance from RKL

In order to receive help from RKL, please [Click Here](#) to be taken to our Request for 2022 Sage 500 1099 Assistance Request page.



The screenshot shows a web form titled "Request for 2022 Sage 500 1099 Assistance" with the RKL SOLUTIONS logo at the top. The form contains several required fields:

- Customer Name ***: Enter your company name. Input field:
- Contact Name ***: Enter the primary contact for this work. Input field:
- Contact Email ***: Enter the primary contact's email address. Input field:
- Contact Phone Number ***: Includes a country code dropdown (USA) and a phone number input field:
- Sage 500 Version / Product Update ***: Can be found from Business Desktop Menu by accessing Help/About. Input field:

Reference Links

IRS 2022 Instructions for Forms 1099-MISC and 1099-NEC

- <https://www.irs.gov/pub/irs-pdf/i1099mec.pdf>

IRS Publication 1220 - Specifications for Electronic Filing of Forms

- <https://www.irs.gov/pub/irs-pdf/p1220.pdf>

Aatrix Website

- <https://www.aatrix.com/>