

INFORMATIONAL CIRCULAR NO. 21-A-006
SUPERSEDES INFORMATION CIRCULAR NO. N/A
DATE: December 22, 2020
SUBJECT: Redesigned Form 1099-MISC and New Form 1099-NEC for Calendar Tax Year 2020
EFFECTIVE DATE: Immediately
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APPROVAL: Sunni Zentner (original signature on file)
SUMMARY: New 1099 Classes and Types, Updated Job Aids for Entering and Updating New Suppliers, Updating Voucher Withholding

- **The IRS has redesigned the 1099 Forms for reporting of calendar year 2020 payments:**
 1. The 1099-MISC has been revised and rearranged for certain types of income. For SMART purposes the following Class and Type changes have been made:
 - 1099-01 is now 1099M-01 – Rental Income
 - 1099-02 is now 1099M-02 – Royalties
 - 1099-03 is now 1099M-03 – Other Income
 - 1099-06 is now 1099M-06 – Medical and Health Care Services
 - 1099-14 is now 1099M-10 – Gross Proceeds Paid to an Attorney
 2. The 1099-NEC has been created to report all income that falls under Non-Employee Compensation, formerly box 7 of the 1099-MISC. For SMART purposes the Class and Type is now 1099N-01.
 3. All other 1099 Forms (S, D, G, and I) had no significant revisions.

- **Updates to previously entered data in SMART for calendar year 2020:**
 1. The Office of Accounts and Reports is currently working on updating all previously paid SMART vouchers for Calendar Year 2020, with payment dates from 01/01/2020 through the end of the year 12/31/2020, to the new Classes and Types. This update occurred after nightly batch has completed on Monday, December 21, 2020.
 2. The Office of Accounts and Reports is currently working on updating all reportable Suppliers to include the new Classes and Types. The current default flag for these suppliers will mirror to the new Class and Type of its equal. This update occurred after nightly batch has completed on Monday, December 21, 2020.

- **Entering new suppliers in SMART:**
 1. In order to ensure the integrity of past data, the Office of Accounts and Reports will not be removing the Class Type of 1099. **Please do not use for future setup of suppliers.**
 2. For new suppliers, the Classes 1099M or 1099N will need to be used on the 1099 withholding page for those suppliers that previously would have fallen under the

Class of 1099. All other Classes (I, G, and S) will still be available to use as needed.

3. Please review the updated Job Aids below.
- **Updating voucher withholding:**
 1. This process has not significantly changed. Please review Classes and Types available for the Supplier. If the Class and Type needed is not available for use on the specific location, a TM-21 will need to be completed and submitted to the Supplier Maintenance team via a ManageEngine Service Desk ticket.
 2. Once the voucher has been entered, click on the Withholding link and choose the Class and Type that corresponds to the specific payment.
 3. Please review the updated Job Aids below.

Additional Resources:

Training guide for setting up Suppliers for 1099 reporting and an account code guide:

https://www.smartweb.ks.gov/docs/default-source/ap---vendors---training-guides/1099-and-withholding-training-guide.doc?sfvrsn=2c36263b_10

Training guide for Entering New Suppliers:

https://www.smartweb.ks.gov/docs/default-source/ap---vendors---training-guides/creating-new-smart-supplier-record.docx?sfvrsn=41ae263b_12

Training guide for Checking for Existing Suppliers:

https://www.smartweb.ks.gov/docs/default-source/ap---vendors---training-guides/check-for-existing-supplier-record.docx?sfvrsn=a4dc273b_16

IRS guide to each Type of 1099, including instructions for each:

[IRS Online Instructions for Forms](#)