



COMPTROLLER
of MARYLAND
Serving the People

2012
Maryland
Reporting
of 1099s
Instructions
and
Specifications

Peter Franchot, Comptroller
October 2012

Introduction

Maryland law requires employers to submit their annual withholding reconciliation using magnetic media format or electronic format if the total number of required 1099 statements meet or exceed 25. We encourage all employers to file using magnetic media.

The filing due date for 1099R information returns is the last day of February. If the due date falls on a Saturday, Sunday or legal holiday, the statements must be filed the next business day.

The 2012 Maryland Reporting Instructions and Specifications Handbook for 1099s is designed to be used as a companion to the Publication 1220 and Internal Revenue Bulletin (Rev. Proc. 2012-30) **SPECIFICATIONS FOR FILING FORM 1097, 1098, 1099, 3921, 3922, 5498, 8935 AND W-2G MAGNETICALLY OR ELECTRONICALLY**. Since many functions of the Maryland employer-reporting program are similar to the IRS program, this handbook highlights the special requirements of the Maryland program.

Maryland Magnetic Media Record Changes Tax Year 2012

There have been no changes to the record layouts for tax year 2012.

The 2012 Maryland record layout is the only acceptable format for both current and back year tax magnetic media submissions.

Reminders for Tax Year 2012

It is a **must** to provide the Federal Employer Identification Number (FEIN) and the corresponding Central Registration (CR) Number. Not providing this information will delay the processing time or having the file being rejected.

Amounts reported on a paper Form MW508 are for paper submission only.

If you outsource your payroll, please provide the transmitter/submitter with the Federal Employer Identification Number (FEIN) and the Maryland Central Registration (CR) Number.

Do not report duplicate information. If you file returns magnetically, identical paper documents must not be filed. This may result in erroneous balance due notices and/or penalty notices.

The Comptroller of Maryland will only accept 3 ½-inch diskettes and CD submissions.

The Comptroller of Maryland requires a 1099-G, 1099-R, 1099-S and a W-2G Form for every Maryland payee that receives a payment of \$10 or more during the tax year being reported.

The Comptroller of Maryland is a participant in the IRS Combined Federal/State Filing Program. See the IRS format from Publication 1220 and Internal Revenue Bulletin (Rev. Proc. 2012-30) **SPECIFICATIONS FOR FILING FORM 1097, 1098, 1099, 3921, 3922, 5498, 8935 AND W-2G MAGNETICALLY OR ELECTRONICALLY and these specifications, FILING REQUIREMENTS FOR 1099 REPORTING, “B” RECORD MODIFIED FOR MARYLAND REPORTING.** If you are participating in the Combined Fed/State filing program separate reporting is not necessary. The IRS will forward the 1099 information to us. Keep in mind that separate reporting may result in erroneous balance due notices and/or penalty notices.

Current and prior year data may be submitted in the same shipment; however, each tax year must be on separate media.

Frequently Asked Questions

What is the Maryland Central Registration number?

The Central Registration number is an eight-digit number assigned by Maryland when you open a state withholding account.

How can I confirm an employer's Maryland Central Registration number?

You may contact Taxpayer Services by telephone at 410-260-7980 from Central Maryland, or 1-800-638-2937 from elsewhere or by e-mail at taxhelp@comp.state.md.us. Be prepared to provide the following information: Federal Employer Identification Number (FEIN); name of company; and name and method of contact for the person inquiring

Who can file paper information returns?

Employers' having less than 25 1099 information returns to report may send a paper Form MW508 with paper copies of the 1099 information returns to:

Revenue Administration Division
ATTN: Returns Processing, Room 206
110 Carroll Street
Annapolis, MD 21411-0001

Can I file my corrections on magnetic media?

No, we cannot process corrected or amended 1099s and MW508s on magnetic media. All corrected and amended 1099s and MW508s must be submitted on paper to the address above.

What if I file both paper returns and magnetic media?

All paper 1099Rs not included on media must be submitted together in one package with the media. Also, include Form MW508 showing the totals of all paper 1099Rs and payment of balance due, if applicable. Please be sure your name, Federal Employer Identification Number, and Maryland Central Registration number are on all documents. Send the package to the following address:

Revenue Administration Division
Attn: Magnetic Media Unit, Room 214
110 Carroll Street
Annapolis, MD 21411-0001

Am I required to submit a test file?

No, test files are not required, but are preferred. We do recommend and encourage filers to submit a test file on CD or diskette. This will validate proper format and identify problems before production data is submitted, avoiding delays in processing. Please clearly mark your media as "Test" and send to the address listed above.

Is there a filing deadline?

The filing deadline for 1099R information returns is the last day of February. If the due date falls on a Saturday, Sunday or legal holiday, the statements must be filed the next business day.

Can I file back-year data on magnetic media?

Yes. Maryland can process all back year data submitted on magnetic media. All data must be presented in the current year format and the tax year must be properly entered in the "A" record.

Do you return the media after you are done?

No, magnetic media becomes the property of the Revenue Administration Division and for security reasons it is destroyed after being successfully processed.

How do I request a waiver of the Magnetic Media/Electronic filing requirement?

To request a waiver for not complying with the minimum filing threshold, you should send a written request stating the nature of the hardship. The request should be sent by mail to the address listed, by email to lneighoff@comp.state.md.us or by fax at 410 974-2274.

Will I be penalized for not filing electronically or by magnetic media when required?

Employers failing to comply may incur a penalty of \$50 for each violation. Each 1099 submitted that is not properly filed is a separate violation subject to the above penalty. Failure to comply with Section 13-706 of the Tax General Article, Annotated code of Maryland may result in the assessing of additional penalties.

Where do we send the magnetic media?

Revenue Administration Division
ATTN: Magnetic Media Unit, Room 214
110 Carroll Street
Annapolis, MD 21411-0001

Media Specifications

Diskettes and CDs

The Maryland Revenue Administration Division accepts 3 1/2-inch diskettes and CDs. Diskettes must be double-sided, double-density or high-density, MS-DOS version or compatible operating system.

All diskettes and CDs must be virus scanned before submission.

Only *one* file name is allowed. The file name must be "IRSTAX" for 1099 data. Do not add an extension (e.g., ".dat", ".bak").

The external labels must have the company name, FEIN, the proper sequence (e.g., VOL 2 of 3), and type of data (W-2 or 1099).

Data must be uppercase letters in ASCII.

Files may be compressed using PKZIP or WinZip. Please indicate on label if the file is zipped.

Rules

All fields in the record layouts are required and must follow the formatting rules as follows:

Alpha fields (Alphabetic characters and blanks only)

- Left justify and fill with blanks.

Numeric fields (Numeric characters only)

- Right justify and fill with zeros.
- Fill unused fields with zeros.

Alpha/numeric fields (Alphabetic, numeric and blanks are allowed)

- Left justify and fill with blanks.
- Fill unused fields with blanks.

Money fields

- Must contain only numbers.
- No punctuation.
- No signed amounts (high order signed or low order signed).
- Include both dollars and cents with the decimal point assumed (example: \$59.60 = 000000005960).
- Do *not* round to the nearest dollar (example: \$5,500.99 = 000000550099).
- Right justify and zero fill to the left.
- Any money field that has no amount to be reported must be filled with zeros.

Filing Requirements for 1099 Reporting

- Filers having 25 or more information returns must file magnetic media in the IRS format from Publication 1220 and Internal Revenue Bulletin (Rev. Proc. 2012-30) SPECIFICATIONS FOR FILING FORMS 1097, 1098, 1099, 3921, 3922, 5498, 8935 AND W2-G MAGNETICALLY OR ELECTRONICALLY.

- Maryland requires a 1099-G, 1099-R, 1099-S and W-2G for every Maryland payee that receives a payment of \$10 or more during the tax year being reported.

- Failure to comply may result in a penalty of \$50 for each violation. Each 1099 you issue that is not properly filed is a separate violation subject to the above penalty. Failing to comply with Section 13-706 of the Tax-General Article, Annotated Code of Maryland may result in the assessing of additional penalties.

- Filers participating in the Combined Fed/State filing program should remember to include the Central Registration Number in positions 715 – 722 of the modified “B” record.

- Do not include more than one “IRSTAX” file per diskette or CD.

- The required records are:

“T” Transmitter Record (Same as IRS)

“A” Payer Record (Same as IRS)

“B” Payee Record (Modified, record description below)

“C” End of Payer Record (Same as IRS)

“K” Use for Combined Federal/State Filing Program (Same as IRS)

“F” End of File Record (Same as IRS)

“B” Record Modified for Maryland Reporting

FIELD POSITION	FIELD NAME	FIELD LENGTH	FIELD TYPE	FIELD DESCRIPTION
1-700	Same as IRS	700	ALPHA NUMERIC	Required. Same as IRS.
701-712	Maryland State Pickup	12	NUMERIC	For use by Maryland State Retirement System. Right justify and fill with zeros.
713-714	Filler	2	ALPHA NUMERIC	Maryland does not use this field.
715-722	Maryland Central Registration Number	8	NUMERIC	Required. Eight-digit Maryland Central Registration Number (Tax Withholding Account Number)
723-734	Maryland State Income Tax Withheld	12	NUMERIC	Required. Total of state and local taxes withheld must be added together. Do not report separately. Right justify and fill with zeros
735-746	Filler	12	ALPHA NUMERIC	Maryland does not use this field.
747-748	Combined Federal/State Code	2	NUMERIC	Constant “24” for Maryland.
749-750	Same as IRS	2	ALPHA NUMERIC	Required. Same as IRS.
		750		