



Publication 110

December 2019

Forms W-2, W-2c, W-2G, and 1099 Filing and Storage Requirements for Employers and Payers, including New 1099-K Electronic Filing Requirements

The information in this publication is current as of the date of the publication. Please visit our website at **tax.illinois.gov** to verify you have the most current revision.

This publication is written in the plain English style so the tax information is easier to understand. As a result, we do not directly quote Illinois statutes and the Illinois Administrative Code. The contents of this publication are informational only and do not take the place of statutes, rules, and court decisions.

About this publication

Publication 110, Forms W-2, W-2c, W-2G, and 1099 Filing and Storage Requirements for Employers and Payers, provides information about Illinois' electronic filing programs and the related storage requirements for Forms W-2, W-2c, W-2G, and 1099.

The objectives of this publication are to explain

- who is required to electronically file,
- general procedures for the electronic filing methods and where to obtain current specifications,
- the Illinois requirements for storing withholding tax records.

Related publications:

- Publication 130, Who is Required to Withhold Illinois Income Tax.
- Publication 131, Withholding Income Tax Payment and Filing Requirements.
- Booklet IL-700-T, Illinois Withholding Income Tax Tables, to calculate withholding.

For information

- Visit our website at **tax.illinois.gov**
- Call **800 732-8866** or **217 782-3336**
- Call our TDD (telecommunications device for the deaf) at **1 800 544-5304**

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Taxpayer Bill of Rights

You have the right to call the Illinois Department of Revenue (IDOR) for help in resolving tax problems.

You have the right to privacy and confidentiality under most tax laws.

You have the right to respond, within specified time periods, to IDOR notices by asking questions, paying the amount due, or providing proof to refute the IDOR's findings.

You have the right to appeal IDOR decisions, in many instances, within specified time periods, by asking for department review, by filing a petition with the Illinois Independent Tax Tribunal, or by filing a complaint in circuit court.

If you have overpaid your taxes, you have the right, within specified time periods, to a credit (or, in some cases, a refund) of that overpayment.

For more information about these rights and other IDOR procedures, you may write us at the following address:

Problems Resolution Office
Illinois Department of Revenue
PO Box 19014
Springfield, IL 62794-9014

What are my Forms W-2, W-2c, and W-2G filing requirements for Illinois?

Forms W-2, W-2c, and W-2G are required to be electronically filed with Illinois. You may request a waiver of the electronic filing requirement if you do not have internet access or it is a hardship to file electronically. Contact Taxpayer Assistance at 1 800 732-8866 or 1 217 782-3336 to request Form IL-900-EW, Waiver Form. Complete the waiver form and mail it to the address listed on the form. We will notify you if the waiver is approved or denied.

Important:

- *Forms W-2 reporting income and withholding for household employees reported on Form IL-1040 are not subject to the electronic filing mandate. However, if you report household employee income and withholding on Form IL-941, you are subject to the electronic filing mandate. See Publication 121 for more information.*
- *If you request and are granted a waiver from the electronic requirement, maintain these records for a period of three years from the due date or payment of the tax, whichever is later. Do not submit any paper returns, media storage devices (magnetic or optical) or email files **unless we specifically request them.** You must make them available to us if and when we request them.*

Are Forms 1099 required to be filed?

Form 1099-K is required to be filed electronically if you are required by the Internal Revenue Service (IRS) to electronically file Forms 1099-K through the Illinois FIRE Electronic Transmittal Program. This requirement is specific for 1099-Ks issued to a payee with an Illinois address.

All other Forms 1099 are **not** included in the electronic filing mandate or required to be submitted to Illinois, unless we request them. Payers who issue Forms 1099 (not 1099-K)

- to individuals, which report Illinois income tax withheld, may **voluntarily** file these Forms 1099 electronically through the Illinois FIRE Electronic

Transmittal Program or through MyTax Illinois.

- to businesses, may **voluntarily** file these forms electronically through the FIRE Program using the payee Taxpayer Identification Number (TIN).

REMINDER: Form 1099-K is required to be filed electronically if you are required by the IRS to electronically file Forms 1099-K.

What are the electronic filing methods available?

1. **MyTax Illinois**, our online account filing and management program, may be used to submit Forms **W-2, W-2c, W-2G, 1099-R, and 1099-MISC.** If you do not already have a MyTax Illinois withholding tax account, you must first create one to be able to file using this method. Once your MyTax account is set up, you can submit information from Forms W-2, W-2c, W-2G and 1099 in MyTax Illinois by entering the information manually or by uploading a Comma Separated Value (CSV) file. For detailed information, go to our website at **tax.illinois.gov.**

NOTE: You **cannot** file Form 1099-K electronically on MyTax Illinois.

2. **Electronic bulk filing methods - (These methods are separate from MyTax Illinois method)** If you have not already registered with us for W-2 electronic transmission, you must register to obtain a Transmitter's logon ID (ETIN) and receive test and production passwords. If you have already registered for W-2 electronic transmission, you do not have to register again for W-2G and 1099 electronic transmission. You may use the same ETIN and passwords.

- **Forms W-2 and W-2c Electronic Transmission Program** - To electronically file Forms **W-2 and W-2c** using this method, the file must be developed following the Social Security Administration's Specifications for Filing Forms W-2 Electronically, and the additional Illinois requirements in our Form W-2 and W-2c Electronic Transmission Guide.

- **the W-2G and 1099 Illinois FIRE Electronic Transmission Program**

- To electronically file Forms **W-2G and all types of 1099s, including Form 1099-K**, using this method, the file must be developed following the IRS Filing Information Returns Electronically (FIRE) format, and the additional requirements in the Illinois FIRE Electronic Transmission Guide. Form 1099-K is required to be filed using this method.

For detailed information and updates, refer to W-2 and 1099 Electronic Filing Program page on our website, **tax.illinois.gov.**

If I use the bulk filing method, how do I know when Forms W-2, W-2c, W-2G, or 1099 electronic file transmission has been accepted?

If you use the electronic bulk filing option, you must obtain an "Accepted" transmission acknowledgement as proof of filing. This is a two step process.

1. Immediately after transmitting your file to us, you will see a submission acknowledgement stating the file was transmitted. **Note:** This initial message does not confirm the status of your transmission.
2. You must log back into your account to retrieve your acknowledgement to verify acceptance or rejection of your file. The Illinois Department of Revenue will not send the verification acknowledgement to you.

Your Form W-2, W-2c, and W-2G filing requirements are **not** met if you send us files in any other format (Illinois does not accept PDFs or spreadsheets (such as Excel) containing Form W-2, W-2c, or W-2G data) or filing method. Be aware that you will not receive a "Rejected" acknowledgement for files sent to us in other formats or methods. Please refer to the file specifications if you have questions about the correct file format.

For detailed instructions, please refer to the W-2 and 1099 Electronic Filing Program page on our website, **tax.illinois.gov.**

Reconcile the total withheld from the Forms W-2, W-2G, and 1099 with Line 2 of your Forms IL-941 for the year. **Refer to the "End of the Year Instructions" section of Form IL-941 Instructions.**

May I use a third party service to file these information returns?

Employers may use a third party such as a software provider to electronically create and/or electronically transmit their files to us. An employer does not register with us as a transmitter if the third-party service is transmitting the file. Make sure to select the option to file with Illinois.

Note: Some third-party arrangements only create the file and **the employer must** still electronically transmit the file to us. The transmitter of the file must be registered with us.

If you use a third-party service, obtain your proof of filing/transmission acknowledgement from the third-party service.

When is the due date?

All original Forms W-2 and W-2G must be accepted as filed by the Department no later than **January 31 of the following year. If the due date falls on a weekend or federally observed holiday, the forms are due the next business day.** If you receive a federal extension to file your Forms W-2 and W-2G, you are automatically allowed that extension for Illinois. Businesses unable to comply with the January 31st due date should file Forms W-2 and W-2-G as soon as possible.

Form W-2c is due as soon as possible after you discover errors.

What if I do not file Forms W-2, W-2c, or W-2G electronically?

Failure to file electronically, without receiving approval from the Department for an electronic filing waiver, can result in a \$5 penalty per Form W-2, W-2c, and W-2G. We do not accept any paper returns, media storage devices (magnetic or optical) or emailed files **unless we specifically request them.** Household employers and others who are granted a waiver from the electronic filing requirement must still maintain these records. See *What are my Forms W-2, W-2c, W-2G, and 1099 storage requirements for Illinois?* for additional information. You must make them available to us if and when we request them.

What are the filing requirements for issuers of Forms 1099-K?

Beginning in 2020, Illinois has new filing requirements for Forms 1099-K issued to a payee with an Illinois address.

Starting with the 2019 tax year, Forms 1099-K due March 31, 2020, must be filed electronically with Illinois if you are required by the IRS to electronically file Forms 1099-K.

Starting with the 2020 tax year and after, Forms 1099-K must be submitted electronically to Illinois when four or more separate transactions exceed \$1,000 or if you are required by the IRS to electronically file Forms 1099-K.

Payers who issue Forms 1099-K must file these forms electronically through the Illinois FIRE Electronic Transmission Program or a third-party software provider.

You **cannot** electronically submit Forms 1099-K on MyTax Illinois.

For additional information, refer to FY 2020-14, New Illinois Electronic Filing Requirements for Issuers of Forms 1099-K, available on our website at tax.illinois.gov.

What are my Forms W-2, W-2c, W-2G, and 1099 storage requirements for Illinois?

You, as the payer, must maintain Forms W-2, W-2c, W-2G, and 1099 (such as 1099-R, 1099-K, or 1099-MISC), in your records for a period of three years from the due date or payment of the tax, whichever is later.

What if I need additional information?

More information is available on our website, tax.illinois.gov.