

Not Business As Usual For Employers: W-2 and 1099-MISC Filing Dates Moved Up

Article Highlights:

- Fraudulently Filed Tax Returns
- Delayed Refunds
- New W-2 and 1099-MISC Filing Due Dates
- W-2 Extensions No Longer Automatic

The IRS, in an effort to combat rampant tax filing fraud, has introduced what they hope will be two new fraud-prevention measures for the upcoming filing season. The first will purposely delay until February 15 the issuance of refunds for tax returns where there is an earned income tax credit (EITC) and/or a refundable child tax credit (CTC), giving the IRS more time to match the income reported on these returns to the income reported by employers. These two tax credits have been the favorite target of scammers who have been filing fraudulent returns with stolen IDs and fabricated income before the IRS is able to verify the income and withholding claimed on the returns.

The second preventive measure is to require earlier filing of W-2 and 1099-MISC forms, which will enable the IRS to ferret out returns that report phony income and withholding. This measure will have a significant impact on employers by moving up the filing due date of the government's copy of 2016 W-2s and 1099-MISCs to January 31, 2017 (the previous due date was February 28, or March 31 if filed electronically). January 31 has been and continues to be the date the forms are required to be provided to the employees (W-2s) or independent contractors (1099-MISCs).

The 30-day automatic extension to file W-2s is no longer automatic. The IRS anticipates that it will grant the non-automatic extension of time to file only in limited cases where the filer or transmitter's explanation demonstrates that an extension of time to file is needed as a result of extraordinary circumstances.

With regard to the government's copy of 1099-MISC forms, the earlier filing due date only applies to those 1099-MISC forms reporting non-employee compensation.

If you have questions related to earlier W-2 or 1099-MISC filing requirements, please give this office a call.