



## Attachment Business W-2/1099 Web Upload Frequently Asked Questions

### W-2 and 1099-Specific FAQs

1. What file types are accepted?  
*Only .txt files are accepted. No other file types are accepted (examples: .pdf, .doc, .xlsx, etc.)*
2. How is a .txt file created?  
*Confer with your IT department or Software Provider for the creation of a .txt file.*
3. How is a Form W-2, Form W-2c, or Form 1099 series .txt file formatted?
  - *W-2 - Correct format is found in EFW2 Publication and Arizona Publication 701.*
  - *W-2c - Correct format is found in EFW2C Publication and Arizona Publication 701.*
  - *1099 series - Correct format is found in Federal Publication 1220 and Arizona Publication 701.*
4. Can multiple 1099 types be included in the same file?  
*No, Arizona requires that only one 1099 type be included per uploaded file.*
5. Since 1/31/2021 falls on a Sunday, will W-2/1099 submissions be considered timely if they are submitted by 2/1/2021?  
*If January 31 falls on a Saturday, Sunday, or legal holiday, W-2 and 1099 submissions are considered timely if filed by the next business day. Please refer to General Tax Ruling (GTR) 16-2 for information regarding timely filing of income or withholding tax returns.*

### Other Questions

6. Does Arizona require all Form 1099s to be submitted?  
*ADOR only requires submission of Form 1099 that report Arizona income tax withheld.*
7. Will Arizona require state direct filing of new Form 1099-NEC, which reports non-employee compensation received in 2020?  
*An online method for uploading federal Form 1099-NEC files for tax year 2020 is not available. Therefore, each federal Form 1099-NEC required to be submitted to the Arizona Department of Revenue (ADOR) must be submitted as a .txt file on Optical Media (as defined in Publication 701) or by paper document. If providing by Optical Media, ensure State Income Tax Withheld is included in the file.*
8. When will W-2/1099 specifications be available?  
*Tax year 2020 W-2/1099 filing specifications are available at the following link: <https://azdor.gov/e-services/e-services-withholding>.*



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9. Is there a document that includes the filing due date for 1099-NEC?  
*All federal attachments (including Form 1099-NEC) are due with Arizona reconciliation forms. Arizona reconciliation Form A1-R and Form A1-APR are due January 31st of the calendar year after the wages were paid or payments were made. Extensions may be requested/granted. Information regarding extensions is available at the following link:  
[https://azdor.gov/sites/default/files/PROCEDURES\\_WTHOLD\\_2019\\_wtp11-1.pdf](https://azdor.gov/sites/default/files/PROCEDURES_WTHOLD_2019_wtp11-1.pdf).*
10. Is there a dollar value threshold for forms to be filed?  
*There is no threshold. If any Arizona tax was withheld, the filing of Form 1099 is required.*
11. Can a Payroll Service Provider (PSP) act as a third party/bulk filer to file on behalf of others?  
*Yes, a Payroll Service Provider may register for bulk filing by visiting <https://efile.aztaxes.gov/AZFSETPortal> and clicking 'Click Here' under 'Need to Register?' and selecting Web Upload as the Transmit Method.*
12. Is there a website or URL where users of 1099 software can learn more?  
*Some helpful links are provided below:*
- *Withholding layouts and business rules - <https://azdor.gov/e-services/e-services-withholding>*
  - *Employer electronic filing - [www.AZTaxes.gov](http://www.AZTaxes.gov)*
  - *Payroll Service Provider electronic filing resources - <https://efile.aztaxes.gov/AZFSETPortal/Home/Resources>.*
  - *Information relating to Arizona Withholding Tax - <https://azdor.gov/businesses-arizona/withholding-tax>.*
13. Does ADOR have a publication of approved vendors for withholding forms?  
*No.*
14. If a filer has questions, where do they direct them?  
*Email E-Services at [AZWebFileSupport@azdor.gov](mailto:AZWebFileSupport@azdor.gov)  
Call Customer Care at (602)255-3381*
15. Will paper filing be an option for all filers or is there a threshold requirement for mandatory e-filing?  
*There is no threshold for electronic filing; paper filing is required for unsupported Form 1099 variations. Information regarding filing methods for unsupported Form 1099s can be found in the Arizona Department of Revenue Publication 701.*
16. Will filers be required to report federal Forms 1099-NEC on the same Arizona reconciliation form as federal Form W-2?  
*Potentially. For example, if the company issues Form W-2 to its employees and Form 1099-NEC to independent contractors, and both are issued by the same company EIN, then all forms should be reported and reconciled on the same Arizona reconciliation form. If a company issues Form W-2 under one EIN and Form 1099-NEC under another EIN, and both EINs are registered for withholding in Arizona, then the reconciliations could be filed separately, one for each EIN.*



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17. Will filers be required to report federal Forms 1099-S on the same Arizona reconciliation form as federal Form W-2?

*No, since there is no withholding reporting on Form 1099-S, an Arizona reconciliation form is not required.*

18. Does Arizona intend to update its electronic filing system to be consistent with IRS Publication 1220 for Tax Year 2020?

*Yes, please refer to specifications in IRS Publication 1220 for Tax Year 2020 for Form 1099. For exceptions, refer to Arizona Publication 701.*

19. What is the earliest tax year W-2 can be filed through the new system?

*Tax Year 2019 will be the earliest tax year accepted via upload and transmission.*

20. Is testing mandatory?

*No, testing is not mandatory.*

21. Does a user need to register every year in order to use the new system?

*If providing files via web upload, only the initial registration is required.*

*If providing files via transmission, only the initial registration will be required. However, that registration will contain information that contains Effective Dates and Expiration Dates. At the time when information expires, updates to that information will be required.*