



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

January 2025

## **General Information:**

Arizona reconciliation Form A1-R and Form A1-APR are due January 31 of the following calendar year. Federal attachments (excluding Form 1099-S) are due with Arizona reconciliation forms.

Form 1099-S is due March 31 of the following calendar year.

If the Arizona Annual Reconciliation form (Form A1-R or Form A1-APR) is filed electronically, any federal attachments mailed to the Department (Optical Media or paper) should be attached to a paper Form A1-T.

Extensions may be requested. Information regarding extensions is available through [Arizona Withholding Tax Procedure - WTP 11-1](#).

At present, the Arizona Department of Revenue (ADOR) will not be accepting federal Form 1099-NEC electronically. Therefore, each federal Form 1099-NEC required to be submitted to ADOR must be submitted as a .txt file on Optical Media (as defined in [Publication 701](#)) or by a paper document attached to Form A1-T. If providing the information by Optical Media, ensure State Income Tax Withheld is included in the file.

ADOR only requires submission of 1099 forms (except 1099-S) when Arizona income tax is withheld. Taxpayers only need to submit Form 1099-NEC if Arizona income tax is withheld.

If a federal Form 1099-S is required to be filed to the IRS, and the address or legal description is in Arizona, Form 1099-S must be filed to Arizona, regardless of state withholding.

## **General FAQs:**

### **Does ADOR require a reconciliation form to be filed?**

Yes. For quarterly filers, an Arizona Form A1-R reconciliation form is required. For annual filers, the reconciliation is combined with the return, Form A1-APR.

The requirement is that W-2/1099 be filed on or before the due date of the reconciliation because the W-2/1099 amount is a required field on the reconciliation form. Arizona law provides that all amounts withheld are to be treated as if the withholding was from wages paid to an employee. Additionally, W-2/1099 withholding must be aggregated and submitted in a single reconciliation.

### **Does ADOR require a transmittal form to be filed?**

Transmittal form (Form A1-T) is only required when submitting federal attachments via paper or Optical Media. If the W-2, W-2c, W-2G, or 1099 form is submitted electronically, Form A1-T is not required.

### **Is e-filing mandatory for Form W-2?**

Yes, for tax year 2024, due January 31, 2025, *all* W-2 must be submitted electronically.



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## **Is e-filing mandatory for 1099 forms?**

All 1099 forms supported for electronic filing, and reporting Arizona income tax withheld, must be submitted electronically; for forms unsupported for electronic filing, paper filing is required. Information regarding filing methods for unsupported 1099 forms and the electronic filing waiver can be found in the Arizona Department of Revenue [Publication 701](#).

## **Which 1099 form types does your state require to be filed?**

Any reporting Arizona income tax was withheld (See [Publication 701](#)) and Form 1099-S.

## **Does Arizona require all 1099 forms to be submitted?**

ADOR requires all 1099 forms (excluding Form 1099-S) that report Arizona income tax withheld.

For Form 1099-S, if a federal Form 1099-S is required to be filed to the IRS and the address or legal description is in Arizona, Form 1099-S must be filed to Arizona, regardless of withholding.

## **If there is no state withholding reported on a 1099 form, is the 1099 required to be filed with ADOR?**

If a federal Form 1099-S is required to be filed to the IRS, and the address or legal description is in Arizona, Form 1099-S must be filed to Arizona, regardless of state withholding. All other 1099 forms are not required if there is no Arizona withholding.

## **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. (Not including Form 1099-S.)

## **What are ADOR filing requirements for 1099-MISC?**

Form 1099-MISC is required only if Arizona income tax was withheld and reported on Form 1099-MISC. In this case, withholding needs to be indicated on the Form 1099-MISC and filed to the Department.

## **Does ADOR require withholding on Form 1099-MISC?**

At the present time, ADOR does not require Arizona income tax to be withheld from payments reported on Form 1099-MISC. If Arizona income tax is withheld and reported on Form 1099-MISC, the form must be submitted to Arizona.

## **Will Arizona require state direct filing of new Form 1099-NEC, which reports non-employee compensation?**

Yes, if Form 1099-NEC is reporting Arizona withholding. An online method for uploading federal Form 1099-NEC files is not available.

Therefore, each federal Form 1099-NEC required to be submitted to ADOR must be submitted as a .txt file on Optical Media (as defined in [Publication 701](#)) or by paper document. If submitting by Optical Media, ensure State Income Tax Withheld is included in the file.

## **Is there a document that includes the filing due date for 1099-NEC?**

Federal attachments (including Form 1099-NEC, excluding Form 1099-S) are due with Arizona reconciliation forms.



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Arizona reconciliation Form A1-R and A1-APR are due January 31 of the calendar year after the wages were paid or payments were made. Extensions may be requested. Information regarding extensions is available through [Arizona Withholding Tax Procedure - WTP 11-1](#).

## **Will filers be required to report federal Forms 1099-NEC on the same Arizona reconciliation form as federal Form W-2?**

Yes. 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.

## **When did ADOR start accepting Form 1099-S?**

Tax year 2024 Form 1099-S started accepting on December 9, 2024, with a filing deadline of March 31, 2025. The filing requirement and layout are available at <https://azdor.gov/e-services/e-services-w-2-1099>.

## **Are filers required to report federal Forms 1099-S on the same Arizona reconciliation form as federal Form W-2?**

If Arizona income tax was withheld from payments made and reported on federal Form 1099-S, those withholding amounts must be reported. If no withholding is reported on Form 1099-S, an Arizona reconciliation form is not required.

## **Does ADOR require a State ID in order to file 1099 forms even if the 1099 does not have state withholding?**

For withholding, Arizona uses the business' EIN and not a State ID. Except for Form 1099-S, 1099 forms that do not report Arizona income tax withheld need not be filed. If a federal Form 1099-S is required to be filed to the IRS and the address or legal description is in Arizona, Form 1099-S must be filed to Arizona, regardless of whether Form 1099-S has Arizona withholding.

## **Does your state support corrected versions of Form 1099? What filing options are allowed for 1099 corrections?**

Yes, ADOR supports corrected 1099 forms and prefers electronic filing for corrections. If the 1099 form is supported for electronic filing, it will also support electronic filing of corrected returns. If electronic filing is not available, please file corrections by optical media or paper.

## **Does ADOR allow electronic filing of prior year(s) W-2 and 1099 using the current year's e-file specifications?**

No, when filing for a prior year(s), please use the specifications of that prior year(s).

## **Some helpful links are provided below:**

- W-2/1099 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/businessesarizona/withholding-tax>



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## **Employer FAQs:**

### **Is e-filing mandatory for Form W-2?**

Yes, for tax year 2024, due January 31, 2025, *all* W-2 must be submitted electronically.

### **What is the due date to submit employee W-2 to ADOR?**

All W-2 that report Arizona wages paid or Arizona income tax withheld are due along with the annual Arizona Withholding Reconciliation Return – Form A1-R, and Arizona Annual Payment Withholding Tax Return - Form A1-APR, by January 31st of the following year.

***Employers must submit all withholding returns electronically - Form A1-R, supported 1099 forms, W-2G and W-2 (A.R.S. § 43-323(F)).***

### **What are my options to electronically file Forms A1-R and A1-APR tax returns?**

The Department currently has three methods by which employers may file Forms A1-R and A1-APR electronically:

1. Register at [AZ Web File \(AZFSET\)](#) to bulk-file its return by uploading a .csv file.
2. Register at [AZTaxes](#) and use the manual entry method to submit its return i.e. registered users are able to enter data in an online interactive form.
3. Registered transmitters of [AZ Web File \(AZFSET\)](#) can bulk file using the transmission method.

### **What are my options to electronically file federal withholding returns to ADOR?**

Electronically submitting federal Forms W-2, W-2c, W-2G, and supported 1099 to the Department:

1. Through [AZTaxes](#) to use the manual entry method, or to upload the supported federal forms as a formatted .txt file.
2. Through [AZ Web File \(AZFSET\)](#) to upload the supported federal forms as a .txt file.
3. Registered transmitters of [AZ Web File \(AZFSET\)](#) can bulk-file using the transmission method.

Be advised, those filing withholding reconciliation will need to do so via AZTaxes Manual Entry, or register for an AZ Web File account to upload a .csv file.

### **What file types are accepted for federal attachments?**

Only .txt files are accepted. No other file types are accepted (.pdf, .doc, .xlsx, etc.). Taxpayers will receive errors for uploading PDFs or .txt files that were converted from PDFs instead of formatted .txt files to AZTaxes.gov.

### **How is a .txt file created?**

Confer with your IT department or software provider for the creation of a .txt file. If the software provider/IT department has questions regarding file layouts or rejections, please have them reach out to [azwebfilesupport@azdor.gov](mailto:azwebfilesupport@azdor.gov).

### **How is a Form W-2, Form W-2c, or Form 1099 series .txt file formatted?**

Layouts can be found on the [E-Services for W-2 / 1099](#) webpage and [Arizona Publication 701](#).



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**For W-2/1099, does ADOR support submitting multiple employers/payers in one file (bulk file) or must a file contain a single employer/payer?**

For both W-2/1099, AZTaxes manual entry method does not support bulk filing of multiple employers. AZTaxes web upload method does support bulk-filing of multiple employers. AZ Web File supports bulk filing of multiple employers for both web upload and transmission methods.

Bulk filing of multiple employers is also supported via CD/DVD/Flash Drive.

Note: While the IRS allows multiple 1099 types to be included in one file, Arizona requires only one 1099 type per file.

**What payment options does ADOR currently support for paying withholding tax?**

## **EFT Options**

ACH Debit when submitting a return electronically.

- ACH Debit/ECHECK, Credit Card and Debit Card for AZTaxes Registered Users:

[AZTaxes.gov](https://www.aztaxes.gov)

- ACH Credit requires Department approval.

Form: [Authorization For Electronic Funds Transfer and Disclosure Agreement - For Credit Filers](#)

## **Non EFT Options**

- Cash - In person only
- Check - In person or mail
- Money Order/Cashier's Check - In person or mail.

**Can I get an electronic payment waiver for withholding?**

Arizona is **not** offering a general withholding electronic filing or electronic payment waiver for the 2024 tax year. Please see [ADOR online tutorials](#) for specifics on the data input or upload methods of electronically filing. Taxpayers with no internet or computer may apply to the director for an annual waiver from the electronic filing and/or payment requirement through Form 292.

**Does ADOR have a publication of approved vendors for withholding forms?**

No.

## **Questions?**

Please contact the Department by calling our Customer Care line at (602) 255-3381



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## **PSC/Bulk Filer FAQs:**

### **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 [AZ Web File](#) and clicking 'Click Here' under 'Need to Register?' and selecting Web Upload as the Transmit Method.

### **Does ADOR have an e-file threshold for withholding?**

Arizona does not have a threshold. All withholding returns shall be filed electronically for taxable years beginning from and after December 31, 2019; this includes any federal attachments supported for electronic filing. See A.R.S. § 43-323(F) for additional details.

### **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 includes Effective Dates and Expiration Dates. At the time when information expires, updates to that information will be required.

### **Is testing available for electronic reporting by the computerized tax processing industry?**

If Web Upload or Transmission testing is desired, please contact the Department at [azwebfilesupport@azdor.gov](mailto:azwebfilesupport@azdor.gov).

### **Does your test environment allow for properly-formatted, "dummy" EIN and SSN account numbers instead of requiring valid ones?**

For both W-2/1099: Yes, Arizona's test environment allows for properly-formatted, "dummy" EIN and SSN account numbers.

### **Can testing be conducted without creating a login, and, if not, can software companies who are not transmitters or third-party filers create a login to test with ADOR?**

No, a test login cannot be created. To test, please reach out to [azwebfilesupport@azdor.gov](mailto:azwebfilesupport@azdor.gov).

### **Is testing mandatory?**

No, testing is not mandatory. If Web Upload or Transmission testing is desired, please contact the Department at [azwebfilesupport@azdor.gov](mailto:azwebfilesupport@azdor.gov).

### **Can multiple 1099 types be included in the same file?**

No, Arizona requires that only one 1099 type be included per uploaded file.

### **For electronic filing, is your transmission protocol server-to-server or manual upload?**

For both W-2/1099: AZTaxes supports manual upload. AZ Web File supports server-to-server and manual upload.



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**If your agency gets more than one W-2 and/or 1099 file of the same form type with the same EIN for the same reporting period and the additional file is not a duplicate or a correction file, will your state delete the initial file and replace it with the new file, or will your state add to the existing file?**

W-2/1099: The data from any subsequent file is added to the existing file.

**Why does ADOR require W-2 and 1099 withholding to be submitted in a single reconciliation?**

Arizona law provides that all amounts withheld are to be treated as if the withholding was from wages paid to an employee.

**The Social Security Administration accepts W-2 with '000-00-0000' for a TIN in cases where an employee has an ITIN or an employer does not have a Social Security Number on file. The IRS accepts '00-0000000' for 1099 TINs in the FIRE upload. Both instances will accept multiple employee/recipient records within a single file. Will ADOR accept this format, or will your system error for duplicate/invalid SSN/TIN? If it errors, how does ADOR expect the employer to report these cases?**

For W-2, ADOR accepts this format.

For 1099, ADOR does not accept all 0s. Instead, ADOR accepts blanks.

**Does Arizona intend to update its W-2/W-2c layout to be consistent with the Social Security Administration's EFW2/EFW2C? Does Arizona intend to update its 1099 layouts to be consistent with IRS Publication 1220?**

Yes, ADOR's W-2/W-2c layouts are consistent with the SSA's EFW2/EFW2C respectively. ADOR's 1099 layouts are consistent with the IRS Publication 1220.

Layouts can be found on the [E-Services for W-2 / 1099](#) webpage.

For exceptions, refer to [Arizona Publication 701](#).

**Does ADOR support submitting multiple employers/payers in one file (bulk file) or must a file contain a single employer/payer? What if I need to file both W-2 and 1099?**

For both W-2/1099, AZTaxes manual entry method does not support bulk filing of multiple employers. AZTaxes web upload method does support bulk-filing of multiple employers. AZ Web File supports bulk filing of multiple employers for both web upload and transmission methods.

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Note: While the IRS allows multiple 1099 types to be included in one file, Arizona requires only one 1099 type per file.

## Questions?

Please contact the Department by calling our Customer Care line at (602) 255-3381.

**Questions about testing, file layouts/specifications, rejections for web uploaded/transmitted returns, or accessing AZ Web File?**

Please contact the Department at [azwebfilesupport@azdor.gov](mailto:azwebfilesupport@azdor.gov).