



January 29, 2018

## **IMPORTANT INFORMATION FOR PAYMENT SETTLEMENT ENTITIES**

The following important information is addressed in this notice:

- The requirement for a payment settlement entity that is required to file Form 1099-K with the Internal Revenue Service (“IRS”) to also submit the information to the North Carolina Department of Revenue (“Department”) at the same time the information is filed with the IRS.
- The requirement to file Form 1099-K electronically on or before March 31

### **Requirement to File Form 1099-K**

G.S. 105-251.2(c), as enacted in S.L. 2017-204, requires payment settlement entities to submit to the Department duplicate copies of all information filed with the IRS pursuant to section 6050W of the Internal Revenue Code (i.e. Form 1099-K, “Merchant Card and Third Party Network Payments”). The term “payment settlement entity” has the same meaning as in section 6050W of the Internal Revenue Code. Pursuant to G.S. 105-251.2(d), the entity must submit the Form 1099-K information to the Secretary in an electronic format. There is no provision in North Carolina law that permits the Secretary to waive the electronic filing requirement.

### **Electronic Filing Instructions and Due Date**

Form 1099-K can be filed with the Department by submitting it electronically through the Department’s eNC3 and Information Reporting application ([www.ncdor.gov/guidance-information-reporting](http://www.ncdor.gov/guidance-information-reporting)). The form must be filed with the Department on or before March 31 for the preceding calendar year. Any report not timely filed with the Secretary is subject to a penalty of \$1,000.

### **Taxpayer Resources Regarding Form 1099-K**

The Department uses its website, [www.ncdor.gov](http://www.ncdor.gov), as the primary resource for reporting law changes that affect a taxpayer’s filing responsibilities.

If you have any questions about this Important Notice, you may call 1-877-252-3052 to speak with a customer service representative or write to Customer Service, PO Box 1168, Raleigh, NC 27602.

*To the extent there is any change to a statute or regulation, or new case law subsequent to the date of this notice, the provisions in this important notice may be superseded or voided. To the extent that any provisions in any other notice, directive, technical bulletin, or published guidance regarding the subject of this notice and issued prior to this notice conflict with this important notice, the provisions contained in this important notice supersede the previous guidance.*