



# Information Reporting Practice

Alert



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## State Usage of the CF/SF Program for Form 1099-NEC

The Internal Revenue Service (IRS) issued an updated version of Publication 1220 in the fall of 2021. One noteworthy change was the inclusion of Form 1099-NEC into the Combined Federal State Filing (CF/SF) Program. Form 1099-NEC was reintroduced for the 2020 tax year, but was not originally included in the CF/SF Program, leaving state agencies and taxpayers scrambling to get their processes updated ahead of the filing deadlines. The recent inclusion of the form in the program for the 2021 tax year comes as welcome relief to many taxpayers. Accordingly, some states have recently updated their guidance to note that they will accept the form when submitted through the CF/SF Program. However, not all state agencies have caught up with the update.

An important point to note, Publication 1220's list of participating states for the CF/SF Program does not necessarily mean that each state participates for all forms, or that it will deem the taxpayer to have met its reporting obligations when using the program. Most states will not allow use of the program when taxpayers are reporting state taxes withheld. In addition, there may be conditions that taxpayers should review before participating, such as notification of use of the program with the respective state agency.

KPMG has actively reached out to state agencies leading up to the filing deadline to determine whether the form will be allowed for the 2021 tax year. In the table below, KPMG has listed the states which currently accept Form 1099-NEC when there is no withholding to report. However, state requirements are subject to change, and have changed frequently within the past few weeks. Readers should always review the latest guidance before submitting their returns.

State	Form 1099 NEC required (if no state w/h)	Participates in CFSFP	1099 NEC transmitted through CFSFP
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Alabama	Yes	Yes	Yes
Alaska	No	No	N/A
Arizona	No	Yes	N/A
Arkansas	Yes	Yes	Yes
California	Yes	Yes	Yes
Colorado	No	Yes	N/A
Connecticut	Yes	Yes	Yes
Delaware	Yes	Yes	No
District of Columbia	Yes	No	No
Florida	No	No	N/A
Georgia	No	Yes	N/A
Hawaii	Yes	Yes	Yes
Idaho	Yes	Yes	Yes
Illinois	No	No	N/A
Indiana	No	Yes	N/A
Iowa	No	No	N/A
Kansas	Yes	Yes	Yes
Kentucky	No	No	N/A
Louisiana	No	Yes	N/A
Maine	No	Yes	N/A
Maryland	No	Yes	N/A
Massachusetts	Yes	Yes	No
Michigan	Yes	Yes	No
Minnesota	No	Yes	No
Mississippi	Yes	Yes	Yes
Missouri	Yes	Yes	Yes
Montana	Yes	Yes	No
Nebraska	No	Yes	N/A
Nevada	No	No	N/A
New Hampshire	No	No	N/A
New Jersey	Yes	Yes	No
New Mexico	No	Yes	N/A
New York	No	No	N/A
North Carolina	No*	Yes	No
North Dakota	Yes	Yes	Yes
Ohio	No	Yes	N/A
Oklahoma	Yes	Yes	No
Oregon	Yes	No	No
Pennsylvania	Yes	No	No
Rhode Island	No	No	N/A
South Carolina	No	Yes	N/A
South Dakota	No	No	N/A
Tennessee	No	No	N/A
Texas	No	No	N/A
Utah	No	No	N/A
Vermont	Yes	No	No

Virginia	No	No	N/A
Washington	No	No	N/A
West Virginia	No	No	N/A
Wisconsin	Yes	Yes	Yes
Wyoming	No	No	N/A

\*Under a waiver currently in place, North Carolina does not require Forms 1099-NEC unless there is withholding to report. This waiver may be lifted in future years.



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