



STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF REVENUE
CARVEL STATE BUILDING
820 N. FRENCH STREET
P.O. BOX 8911
WILMINGTON, DELAWARE 19899-8911

DIVISION OF REVENUE

TECHNICAL INFORMATION MEMORANDUM 97-7

DATE: December 19, 1997

SUBJECT: MAGNETIC REPORTING OF FORM 1099 INFORMATION

The Delaware Division of Revenue has previously issued memoranda on the subject of magnetic media reporting of 1099 data. This Technical Information Memorandum is effective for the reporting of 1099 information for tax years beginning in 1997.

I. Reporting of 1099 data.

Any individual or firm doing business in Delaware and required to report Form 1099 series information to the Internal Revenue Service on magnetic media (See, Treas. Reg. § 301.6011-2), whenever such filing contains over 250 returns for residents of the State of Delaware or for Non-residents receiving payments for salaries, fees or other compensation for services performed in Delaware, must also report the return information to the Delaware Division of Revenue on magnetic media. The specific 1099 series returns which must be so filed include only the 1099 MISC and 1099R forms. All others, including 1099DIV and 1099INT need not be so filed. The data submitted by the payers will be in the format described in the current IRS Revenue Procedure on Magnetic Tape Reporting for Information Returns, Publication 1220, Cat. No. 61275P, dated July 1996 and annual updates thereto.

If required to be reported on any of the Federal Form 1099 series returns and required to be filed on magnetic media, reporting firms and individuals must provide to Delaware information for the following payments:

- a) All payments to Delaware residents, which are reported on either form 1099MISC or form 1099R; and
- b) All payments to non-residents of salaries, fees or other compensation for service performed in Delaware, where such payment is reported on form 1099MISC or form 1099R,

when such payments result in the generation of 250 or more 1099 returns issuable under either of the two categories above. The specific media requirements are:

Magnetic Tape Specifications

Tape reels

Nine track EBCDIC with:

Odd parity.

1600 or 6250 BPI density.

Tape Cartridges

- . Must be IBM 3480 or 3490 compatible.
- . Must meet ANSI standards, and have the following characteristics:
- . Tape cartridges will be ½ inch tape contained in plastic cartridges which are approximately .4-inches by 5-inches in dimension.
- . Magnetic tape will be chromium dioxide particle based ½ inch tape.
- . Cartridges must be 18 track or 36 track parallel.
- . Cartridges will contain 37,871 CPI or 75,742 CPI (characters per inch)
- . Mode will be full function.
- . Either EBCDIC or ASCII may be used.

Floppy diskette Specifications

5.25" or 3.5" diskettes only

- . Data must be recorded in standard ASCII code.
 - . Records must be fixed length of 420 bytes per record.
 - . Delimiter character commas (,) must not be used.
- All other specifications are contained in publication 1220.

Record Specifications

The record specifications are identical to those used for federal filing.

Payments not required to be reported on magnetic media are not required to be reported to the Division of Revenue, except for 1099's (1099P's, for example) reflecting taxes withheld at source which must be filed on paper if not required to be reported on magnetic media.

Inquiries concerning reporting requirements should be directed to James Stewart, Manager of Personal Income Tax (302) 577-8170. Inquiries concerning magnetic media specifications should be directed to Betty Bickhart, in the Bureau of Application Support and Development, at (302) 577-8737.

II. Filing

The magnetic tapes, cartridges or diskettes described in this Technical Information Memorandum, accompanied by a cover letter containing the same information as required for federal purposes, should be addressed to the State of Delaware, Division of Revenue, 820 North French Street, Wilmington, Delaware 19801.

The due date for magnetic media 1099's is the same as for the federal return, February 28th. The due dates for these returns may be extended upon request to the Director of Revenue and showing that unless extended, filing on magnetic media will represent an undue hardship to the reporting entity.

William Remington