



40 Office Park Way, Pittsford, NY 14534-1742 • 585/586-8830 • Fax 585/586-0638

Re: Due Dates for Filing 2016 Information Returns

Dear Client:

In an effort to reduce identity theft and improve tax compliance, there have been recent modifications to the due dates for forms in the W-2 series (except W-2G), and information returns (Form 1099-MISC) required to report nonemployee compensation. In addition, the IRS no longer allows an automatic 30 day extension to file forms in the W-2 series.

The IRS uses third-party information returns to increase voluntary compliance, verify accuracy of tax returns, improve collection of taxes, and combat fraud, including fraudulent refund claims filed by unscrupulous preparers and individuals using the stolen identities of legitimate taxpayers. Unfortunately, identity theft and refund fraud is a persistent and evolving threat to the nation's tax system.

In response, Congress passed provisions in the Protecting Americans from Tax Hikes (PATH) Act of 2015 that accelerate the due date to January 31 for filing information on wages reported on Form W-2, Wage and Tax Statement, and information on nonemployee compensation, effective for returns and statements relating to calendar year 2016. The accelerated filing date of January 31 for Forms W-2 and W-3 matches the due date for providing wage statements to employees and written statements to payees receiving nonemployee compensation.

As a result, the due date for filing 2016 Forms W-2, W-2AS, W-2CM, W-2GU, W-2VI, W-3 and W-3SS with the SSA is now January 31, 2017, regardless of whether you file using paper or electronically. Form 1099-MISC must be filed on or before January 31, 2017, when reporting employee compensation payments in box 7. Otherwise Form 1099 must be filed by February 28, 2017, if filed on paper, or March 31, 2017, if filed electronically.

Also effective with the 2017 filing season, the IRS has removed the automatic extension of time to file information returns in the W-2 series (except W-2G). You may request one 30-day extension to file Form W-2 by submitting a complete application on Form 8809, *Application for Extension of Time to File Information Returns*, including a detailed explanation of why you need additional time and signed under penalties of perjury. **The IRS will only grant the extension in extraordinary circumstances or catastrophe.**

Over the next several years, the IRS intends to eventually remove the automatic 30-day extension of time to file other information returns, including Form W-2G, 1042-S, 1094-C, 1095-B, 1095-C, 1099 series, and 1098 series.

Identity thieves often electronically file their fraudulent refund claims early in the tax filing season using fictitious wage and other information of legitimate taxpayers. Unscrupulous preparers also electronically file early in the tax filing season, over-claiming deductions and credits and underreporting income. In many cases, the IRS is unable to verify the wage and other information reported on tax returns filed before April 15th, in part because the IRS does not receive the information returns reporting this information until later in the filing season.

Receipt of information returns earlier in the filing season will improve the IRS's ability to identify fraudulent refund claims and stop the refunds before they are paid. If you have any questions related to this initiative to accelerate information reporting, please call our office.

Very truly yours,

LPWolch, CPAs, P.C.

Lorraine P. Wolch
President