

North Carolina Department of Revenue  
P. O. Box 25000  
Raleigh, NC 27640  
(877) 252-3052 toll-free

## NC Magnetic Media Specifications For 1099 Reporting

Any information return (1099) which shows North Carolina income tax withheld must be filed with North Carolina. **Do not report information returns to North Carolina if no NC income tax has been withheld.** Applicable forms are:

- 1099-R Distributions from Pensions, Annuities, Retirement or Profit-sharing, etc.
- 1099-MISC Miscellaneous Income
- NC-1099PS Personal Services Income Paid to a Nonresident (treat as 1099-MISC return)

Reports for 250 or more payees must be submitted on magnetic media. Beginning with tax year 2002, these media must meet the requirements for filing Federal 1099 information as specified in Internal Revenue Service Publication 1220. Although North Carolina participates in the IRS Combined Federal/State Filing Program, **returns which report NC income tax withheld must be filed directly to North Carolina Department of Revenue.**

1. Magnetic media must meet the following requirements for North Carolina:

a. PC diskettes

- No Encrypted Media or Password Protected
- Type of diskette -- 3.5 inch, IBM formatted
- Character set -- ASCII-1
- Record Length -- 750 bytes (fixed), blank or zero fill unused fields to ensure length of 750
- Record delimiters -- carriage return **and** line feed, or blank (in positions 749 – 750)
- File name – IRSTAX in the root directory. If file requires multiple diskette, name them IRSTAX.001, IRSTAX.002, etc. File only 1 company per volume.
- The file may be compressed using WINZIP or PKZIP. The compressed file may be named anything but must have “.zip” suffix. However, when the file is “unzipped” the resulting file name must be “IRSTAX”.

b. CD-ROM

- No Encrypted Media or Password Protected
- Character set -- ASCII-1
- Record Length -- 750 bytes (fixed), blank or zero fill unused fields to ensure length of 750
- Record delimiters -- carriage return and line feed. If CRLF is not used then positions 749 - 750 must be blank.
- File name – IRSTAX in the root directory. If file requires multiple CDs, name these IRSTAX.001, IRSTAX.002, etc. File only 1 company per volume. The file may be compressed using WINZIP or PKZIP. The compressed file may be named anything but must have “.zip” suffix. However, when the file is “unzipped” the resulting file name must be “IRSTAX”.

2. External label:
  - a. Name and address of sender, tax year, and **type of information being reported** (e.g. "1099")
  - b. Name and telephone number of contact person
  - c. If file is on more than one diskette/CD, each must be numbered in order, beginning at one. Note if file is zipped.

3. Refer to IRS Publication 1220 and create the file as follows:

Payer "A" Record			
Location	Field	Length	Specification
1	Record Type	1	"A"
2-5	Payment Year	4	
12-20	Payer's Taxpayer Id. Number (TIN)	9	Federal EIN
26	Combined Federal/State Filer	1	"1" if participating, blank if not
27	Type of Return	1	"A" – 1099-MISC or NC-1099PS "9" – 1099-R
53-92	First Payer Name Line	40	
93-132	Second Payer Name Line	40	
133	Transfer Agent Indicator	1	"1" = yes, "0" (zero) = no
134-173	Payer Shipping Address	40	
174-213	Payer City	40	
214-215	Payer State	2	
216-224	Payer Zip Code	9	left-justify, blank fill
749-750	Blank or CR/LF	2	
Payee "B" Record			
1	Record Type	1	"B"
2-5	Payment Year	4	
12-20	Payee's TIN	9	Required. If unknown, file paper.
55-66	Payment Amount 1 Rents (1099-MISC) Gross Distribution (1099-R)	12	
67-78	Payment Amount 2 Royalties (1099-MISC) Taxable Amount (1099-R)	12	
79-90	Payment Amount 3 Other Income (1099-MISC) Capital Gain (1099-R)	12	
91-102	Payment Amount 4 Federal Income Tax Withheld (1099-MISC and 1099-R)	12	
103-114	Payment Amount 5 Fishing Boat Proceeds (1099-MISC) Employee Contributions (1099-R)	12	
115-126	Payment Amount 6 Medical and Health Care Premiums (1099-MISC) Net Unrealized Appreciation (1099-R)	12	
127-138	Payment Amount 7 Nonemployee Compensation (1099-MISC) Gross Income Paid (NC-1099PS) Fill with zeroes (1099-R)	12	

139-150	Payment Amount 8 Substitute Payments (1099-MISC) Other (1099-R)	12	
151-162	Payment Amount 9 Fill with zeroes (1099-MISC) Total Employee Contributions (1099-R)	12	
163-174	Payment Amount A Crop Insurance Proceeds (1099-MISC) Traditional IRA/SEP/SIMPLE Distribution (1099-R)	12	
175-186	Payment Amount B Excess Golden Parachute Payments (1099-MISC) Fill with zeroes (1099-R)	12	
187-198	Payment Amount C Gross Proceeds Paid to Attorney (1099-MISC) Fill with zeroes (1099-R)	12	
248-287	First Payee Name Line	40	
288-327	Second Payee Name Line	40	
368-407	Payee Mailing Address	40	
448-487	Payee City	40	
488-489	Payee State	2	
490-498	Payee ZIP Code	9	left-justify, blank fill
723-734	State Income Tax Withheld	12	
747-748	Combined Federal/State Code	2	blank if not participating, "37" for NC
749-750	Blank or CR/LF	2	

**Records and fields not specifically mentioned may be considered optional. (Record length must be 750).**

- Alphanumeric fields should be left justified and blank filled. Amount fields are right-justified, zero-filled, dollars and cents, decimal implied.
- A diskette or CD will not contain multiple files/payers. A single completed Form NC-3 Annual Withholding Reconciliation must be included in the package for each payer.
- The filing deadline for this information is the same as for paper reports.
- Media we are unable to process will be returned for correction.