FYI Income 2
Year-End 1099 Income Statements

GENERAL INFORMATION
Year-end 1099 statements are similar to year-end W-2 statements. Both 1099 and W-2 statements provide information about earnings made in the previous calendar year. However, 1099 statements report non-wage earnings. 1099 statements are issued during the month of January, as are W-2 wage statements. Following are examples of different 1099 statements taxpayers might receive:

- 1099-G from government agencies. The Colorado Department of Revenue issues statements for any tax refund more than $10.
- 1099-INT from financial institutions and government agencies showing interest earned.
- 1099-DIV from brokerage companies showing dividend income.
- 1099-MISC from management companies showing rental income.
- 1099-R from pension organizations showing pension income.

INSTRUCTIONS FOR 1099 RECIPIENTS
The department requires you to attach to your return any 1099 statement that shows Colorado income tax withheld. In most cases, 1099s will not have Colorado tax withheld. Only attach statements with Colorado withholding.

INSTRUCTIONS FOR EMPLOYERS, BANKS AND OTHER 1099 ISSUERS
Any distributed 1099 statements must also be sent to the Department of Revenue, 1375 Sherman St. Denver, CO 80261, if they contain Colorado State withholding information. When submitting paper 1099 statements to the department, they must be enclosed with the Reconciliation Statement (DR 1106), due by the last day of February. Any issuer with more than 250 payees must submit 1099 statements electronically through Revenue Online *(www.Colorado.gov/RevenueOnline)*. For additional information see publication FYI Withholding 7, Colorado 1099/W-2G Income Withholding Tax Requirements.

1099 STATEMENTS ISSUED BY THE DEPARTMENT OF REVENUE

1099-G Colorado Income Tax Refund Statement
Section 6050E of the Internal Revenue Code requires the Colorado Department of Revenue to issue 1099-G statements to taxpayers who might have itemized deductions on their federal return the previous year. The statement is in postcard format. A copy of the 1099-G is also sent to the Internal Revenue Service (IRS). The reported refund amount shown on this form can include:

- the Colorado income tax refund check received the prior year;
- overpayment credited to the following year's estimated tax;
- overpayment applied to a prior year's balance due;
- overpayment intercepted by the IRS or by a state agency;
- contributions made to any of the voluntary checkoff funds.

NOTE: The 1099-G does not include the state sales tax refund paid during TABOR surplus years. Sales tax TABOR surplus refunds are not a refund of income tax.

Taxpayers who itemize their deductions on federal Schedule A must report 1099-G refunds as taxable on federal form 1040.

Taxpayers who use the standard deduction on their previous year's federal return do not need to report the refund on the federal return. Taxpayers who file federal forms 1040EZ or 1040A do not need to report the 1099-G refund to the IRS.

1099-INT Colorado Interest Income
Section 6041 of the Internal Revenue Code requires the Colorado Department of Revenue to issue 1099-INT statements to taxpayers who have been paid interest of $600 or more during the year. A copy of the 1099-INT is also sent to the IRS. The interest information should be used to complete the federal income tax return.

ERRORS
If the 1099 statement you received contains errors, contact the issuer directly for a correction. For statements issued by the Colorado Deptartment of Revenue, visit *www.TaxColorado.com* for contact information.

FYIs provide general information concerning a variety of Colorado tax topics in simple and straightforward language. Although the FYIs represent a good faith effort to provide accurate and complete tax information, the information is not binding on the Colorado Department of Revenue, nor does it replace, alter, or supersede Colorado law and regulations. The Executive Director, who by statute is the only person having the authority to bind the Department, has not formally reviewed and/or approved these FYIs.