

Year-end 1099 statements are similar to year-end W-2 statements. Both 1099 and W-2 statements provide information about income realized in the previous calendar year. W-2 statements report wages and salaries while 1099 statements report non-wage income. 1099 statements and W-2 wage statements are issued during the month of January. The following is a non-exhaustive list of different 1099 statements taxpayers may receive:

- 1099-G from government agencies. The Department of Revenue issues 1099-G statements for any tax refund more than \$10 and the Department of Labor and Employment issues 1099-G statements for unemployment compensation.
- 1099-R from pension organizations showing pension income.
- 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.

INSTRUCTIONS FOR 1099 RECIPIENTS

You must attach to your Colorado income tax return any 1099 statement that shows Colorado income tax was withheld. In most cases, 1099s will not have Colorado tax withheld and therefore will not need to be submitted with your return. 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 by the last day of January if they contain Colorado state withholding information. These can be submitted electronically or by paper return. Any issuer with more than 250 payees must submit 1099 statements electronically through Revenue Online www.Colorado.gov/RevenueOnline. If submitting paper 1099 statements to the Department, the Annual Reconciliation Statement (DR 1106) must be enclosed. 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 Department of Revenue to issue 1099-G statements to taxpayers who itemized deductions on their federal income tax 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:

- a Colorado income tax refund 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.

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 used 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.

REQUESTING CORRECTED 1099S

If the 1099 statement you receive contains errors, contact the issuer directly for a correction. For statements issued by the Colorado Department of Revenue (1099-Gs), call 303-238-SERV (7378).