



eNC3 Specifications for 1099 Reporting

Effective Date

These specifications are effective for submissions made on or after January 1, 2018. Prior year data, original and corrected data submitted after January 1, 2018 must also be filed according to these specifications. A separate submission is required for each tax year.

Overview

The 2015 session of the North Carolina General Assembly enacted Session Law 2015-259, which included changes to the withholding law designed to increase tax compliance and help the Department combat fraud. The changes affected the manner in which 1099s are filed and when they are due. The changes were effective for taxable years beginning on or after January 1, 2015.

G.S. 105-163.2A(b) and G.S. 105-163.3 requires certain 1099 information returns to be filed on or before January 31 of the succeeding year and in electronic format as prescribed by the Secretary of Revenue. The Secretary may, upon show of good cause, waive the electronic submission requirement. Visit www.ncdor.gov/taxes/withholding-tax/enc3 for waiver information.

In addition, the 2017 session of the North Carolina General Assembly enacted Session Law 2017-204 which amended G.S. 105-251.2 to require a “payment settlement entity” to submit a duplicate of all information filed with the Internal Revenue Service pursuant to 6050W of the Internal Revenue Code (i.e. the 1099-K, “Merchant Card and Third Party Network Payments” information return) with the Secretary of Revenue. A payment settlement entity has the same meaning as in section 6050W of the Internal Revenue Code. The statute also requires the entity to submit the 1099K information to the Secretary in an electronic format. This information must be filed with the Department on or before March 31 for the preceding calendar year. Any report not timely filed with the Secretary is subject to a penalty of \$1,000.00. Of note, there is no provision in North Carolina law that permits the Secretary to waive the electronic filing requirement.

Although North Carolina participates in the IRS Combined Federal/State Filing Program, original, void, or corrected versions of the following forms **must be filed directly with the North Carolina Department of Revenue.**

Form	Description
1099-K	Payment Card and Third Party Network Transactions
1099-R if Box 12 (State tax withheld) is populated and North Carolina income tax has been withheld, and/or the recipient’s address is located in North Carolina	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.

1099-MISC if Box 16 (State tax withheld) is populated and North Carolina income tax has been withheld, and/or Box 3 (Other income) and/or Box 7 (Nonemployee compensation) is populated and the recipient's address is located in North Carolina	Miscellaneous Income
NC-1099NRS	Sale of Real Property by Nonresidents
NC-1099PS	Personal Services Income paid to Nonresidents
NC-1099ITIN	Compensation paid to ITIN Contractor

To file a **NC-1099PS** or **NC-1099ITIN**, follow the 1099-MISC format in the IRS Pub. 1220. To file a **NC-1099NRS**, follow the 1099-S format in the IRS Pub. 1220.

If the recipient's address is located in North Carolina, the following forms must also be filed with the Secretary in an electronic format if:

- The information was not filed with the Internal Revenue Service via the Combined Federal/State Filing Program; **and/or**
- The recipient had North Carolina income tax withheld.

Form	Description
1099-B	Proceeds From Broker and Barter Exchange Transactions
1099-DIV	Dividends and Distributions
1099-INT	Interest Income
1099-OID	Original Issue Discount
1099-G	Certain Government Payments
W-2G	Certain Gambling Winnings

Naming Convention for Uploaded Files

In the root directory, the file name should be "IRSTAX.txt". For each 1099 file that will be uploaded, the file name must be unique. If 1099 file requires multiple uploads within the same submission, name your files IRSTAX_01.txt, IRSTAX_02.txt, etc. The various forms that can be uploaded are listed above.

Below are the file upload specifications for several 1099 Wage and Tax Statements. The uploaded files must meet the requirements for filing Federal 1099 information as specified in **Internal Revenue Service Publication 1220**. The files will be uploaded using the eNC3 web application located on the Department's website at www.ncdor.gov/taxes/withholding-tax/enc3. The 1099 files must meet the defined specifications below to ensure the files are uploaded successfully.

Follow the IRS Pub. 1220 for format guidelines for all of the "T" record, "A" record, and "B" record through field position 662.

Additional Information**“T” Record**

- For position 16-20 - Transmitter Control Code (TCC), please ensure the 5 character (alphanumeric) TCC code is entered. This is a required field and the code is assigned by the IRS.

“A” Record

- For position 225-239 – Payers’ Telephone Number and Extension, do not enter hyphens/dashes.

“B” Record

- State Withholding Account Number MUST be numeric; APPLIEDFOR is not a valid entry. Reference the eNC3 [FAQ](#) document for information on how to obtain a withholding account number (if applicable).

Record Name: Payee “B” Record			
“B” record Location	Field Descriptions	Length	Explanation
663-664	NC Personal Services (NC-1099PS) NC ITIN Contractor (NC-1099-ITIN) Sale of Real Property by Nonresidents (NC-1099NRS)	2	Use “PS” – NC-1099PS. Use “IT” – NC-1099ITIN. Use “NR” – NC-1099NRS.
665-673	State Withholding Account Number	9	State income tax withholding account number. Numeric only; “APPLIEDFOR” is not a valid entry for this field.
674	Vested (1099-NC Dept. of State Treasurer)	1	“V” ONLY for NC Dept. of State Treasurer
675-686	County	12	For NC-1099NRS ONLY. County in which property was sold.
687	Primary Residence	1	For NC-1099NRS ONLY. Use “Y” - If property was primary residence; otherwise use “N”.
688-689	State	2	State Abbreviation for tax withholding.
699-710	State Winnings	12	For W2-G ONLY. (NEW)
711-722	State Income	12	For 1099-MISC ONLY. (NEW)
723-734	State Income Tax Withheld	12	
747-748	Combined Federal/State Filing Program Code	2	Blank if not participating, “37” for NC
749-750	Blank or CR/LF	2	

Record length must be 750.

1. Alphanumeric fields should be left justified and blank filled. Amount fields are right-justified, zero-filled, dollars and cents decimal implied.
2. Amount fields (Payment Amounts 1-9 and A-E plus State Income Tax Withheld) are required. Where dollar amounts are zero, enter zeroes. Blanks are not a valid entry.
3. **The filing deadline for this information is January 31 annually.**

If you have any questions about these specifications, you may call the Department at (877) 252-3052 (8:00 am until 5:00 pm EST, Monday through Friday), or write the Department at PO Box 25000, Raleigh, NC 27640.