Form 1099, W-2G, 1042-S File Layout Specifications

Purpose of Document

The purpose of this document is to provide file format instructions and guidance for the electronic filing of multiple 1099 Forms as well as W-2G and 1042-S Forms.

What's New

- All NCDOR accepted 1099, W-2G, and 1042-S forms must be in XML format to align with the new IRIS system created by the IRS.
- Federal Form 1099-DA* will not be added to the eNC3 and Information Reporting Application at this time.
- Form 1042-S is only available in XML starting with tax year 2025.
- After January 1, 2027 file on paper any return (1099, W-2G, 1042-S) tax years that are not available via XML

File Format Requirements

Below is a complete list of all original or corrected information reports that are required to be filed with the North Carolina Department of Revenue in an electronic format:

Form	Description
1099-B	Proceeds From Broker and Barter Exchange Transactions
1099-DIV	Dividends and Distributions
1099-G	Certain Government Payments
1099-INT	Interest Income
1099-K	Payment Card and Third Party Network Transactions
1099-MISC	Miscellaneous Income
1099-NEC	Nonemployee Compensation
1099-OID	Original Issue Discount
1099-R	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
W-2G	Certain Gambling Winnings
1042-S	Foreign Person's U.S. Source Income Subject to Withholding

*Federal Form 1099-DA, Digital Asset Proceeds From Broker Transactions, will be required to be filed directly with NCDOR only if North Carolina tax withheld is reported on Form 1099-DA or if the proceeds from broker transactions related to digital asset proceeds were not reported to the IRS. To the extent that a taxpayer has a requirement to file Form 1099-DA directly with NCDOR, the taxpayer will not be required to file Form 1099-DA electronically with NCDOR. The taxpayer will have to mail a copy of Form 1099-DA to: North Carolina Department of Revenue, PO Box 25000, Raleigh, North Carolina 27640-0001. Please see the eNC3 FAQs for filing requirements.

- **File Format** – The eNC3 application will only accept eXtensible Markup Language (.xml) files; no other file format will be accepted for forms listed in the table above. Some examples of unacceptable formats include fixed-field text (txt), comma-separated values (.csv), portable document format (.pdf), Microsoft Word (.doc), and Microsoft Excel (.xls).

- **File Size –** NCDOR is recommending that any individual file size be limited to less than 100MB.

- **Testing File Formats** – Prior to submitting your file, the eNC3 and Information Reporting Application will allow you to test your file layout and confirm when it is formatted correctly and passes NCDOR's business rules. This will ensure your file will be uploaded successfully without generating an error. Step by step instructions to test file formats are located on our website.

- **Naming Convention for Uploaded Files** – File names must not include special characters with the following exceptions: dash (-) and underscore (_). File names that contain restricted special characters will produce errors.

- Follow the IRS schemas for IRIS in addition to the NCDOR field requirements that are outlined below. The uploaded files must meet the requirements for filing Federal information as specified in **Internal Revenue Service IRIS Schemas** and the **NCDOR filing requirements** as well as the **SSA specifications** to ensure the files are submitted successfully.

Reminders

- The eNC3 application will only allow current tax year 2026 and prior years 2025 & 2024 filings.

- The filing deadline for this information is January 31st annually except for form 1099-K which is due on or before March 31st of the preceding calendar year.

- If there are errors in your file(s) during testing or submission. Download and send the error report to your software provider or developer for correction. Once the errors are fixed, resubmit your file(s).

- If a payer does not file Form NC-3 as well as the State's copy of each required W-2 and 1099 statement, in an electronic format via the Department's eNC3 and Information Reporting Application the Secretary will impose a penalty against the taxpayer for failure to file Form NC-3 in the format prescribed by the Secretary. The penalty for failure to file in the format prescribed by the Secretary is $200. For more information, please see Important Notice: Updates to North Carolina Withholding Tax.

- Until further notice, the Secretary will not require taxpayers to submit a copy of federal Form 1099-NEC or federal Form 1099-MISC statements that do not report North Carolina income tax withheld. Federal Form 1099-NEC or federal Form 1099-MISC statements that report North Carolina income tax withheld must be filed with the Department as a part of a payer's annual report filing requirement. For more information, please see Important Notice: Updates to North Carolina Withholding Tax.

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

- Prior year data, original and corrected, must be filed according to the NCDOR and use of the correct IRIS XML schema provided by the IRS as required. A separate submission is required for each tax year and file format type.

- Please visit the Department's website for more information.

File Layout Specifications

For TIN Type State requires the TIN Type in the **TINSubmittedTypeCd** element be populated, where applicable.

North Carolina Department of State Treasurer Only:
For Bailey Vested Payees, enter "V" in the **SpecialDataEntriesTxt** element, at the following node, when applicable: //element(*,Form1099RDetailType)/StateLocalTaxGrp/SpecialDataEntriesTxt

North Carolina Department of Revenue eNC3 XML Business Rules for Tax Year 2026

(from the IRS IRIS program)

Rule Number	Business Rule Text	Effective Tax Year(s)
SMF007	The 'TaxYr' must match the Manifest 'TaxYr'.	All
SMF019	If 'ForeignAddress' has a value in 'IssuerDetail', then 'ForeignEntityInd' must equal a value of "1".	All
SHAREDIRFORM018	If 'FATCAFilingRequirementInd' equals a value of "1", then 'RecipientAccountNum' must have a value.	All
SHAREDIRFORM023	'TIN' in 'RecipientDetail' must have a value.	All
F1099B001	Either Short-term gain or loss indicator or Long-term gain or loss indicator can equal "1", not both.	All
F1099B004_001	'PropertyDesc' must have a value.	All
F1099DIV001	'TotalOrdinaryDividendsAmt' cannot be less than sum of ('QualifiedDividendsAmt', and 'Section897OrdinaryDividendsAmt', and 'InvestmentExpenseAmt', and 'Section199ADividendsAmt').	All
F1099DIV002	If 'QualifiedDividendsAmt' has a value, then 'TotalOrdinaryDividendsAmt' must have a value.	All
F1099DIV003_001	If 'TotalCapitalDistributionsAmt' has non-zero value, it must be greater than or equal to the sum of ['UnrecapturedSection1250GainAmt', and 'CapitalGainSect1202Amt', and 'Collectibles28PercentGainAmt', and 'Section897CapitalGainAmt']	All
F1099K001	The sum of 'JanuaryAmt', and 'FebruaryAmt', and 'MarchAmt', and 'AprilAmt' and 'MayAmt' and 'JuneAmt' and 'JulyAmt' and 'AugustAmt' and 'SeptemberAmt' and 'OctoberAmt' and 'NovemberAmt' and 'DecemberAmt' must equal 'GrossAmt'.	All
F1099K026	'PaymentTransactionCnt' must have a value.	All
F1099R002	If 'TaxableAmt' has a nonzero value, then it must not be greater than 'GrossDistributionAmt'.	All
F1042S006	'GrossIncomeAmt' must have a non-zero value.	All
F1042S014	'WithholdingAllowanceAmt' must not be greater than 'GrossIncomeAmt'.	All
FTMFST001_001	If 'TransmissionTypeCd' equals "O" (Original) or "R" (Replacement), then 'CorrectedInd' (or 'AmendedInd') on all forms within the transmission must have a value equal to "0".	All
FTMFST003_001	If 'TransmissionTypeCd' equals "C" (Corrected), then 'CorrectedInd' (or 'AmendedInd') on all forms within the transmission must have a value equal to "1".	All

Rule Number	Business Rule Text	Effective Tax Year(s)
FTMFST009	The value in Manifest 'TotalRecipientFormCnt' must equal the total count of forms within the transmission.	All
FTMFST010	'SubmissionId' must not duplicate another 'SubmissionId' within the same transmission.	All
FS1H002	'RecordId' must not be a duplicate of another 'RecordId' within the same submission.	All
FS1H003	The value in the Submission1Header 'TotalReportedRcpntFormCnt' must equal the total count of forms within the submission.	All
S1H005-46	'FormTypeCd' cannot be different from 'FormTotalAmtGrp'	All
SMD001	'FormTypeCd' cannot be different from 'FormDetail'	All
NCSTATE-01	TINSubmittedTypeCd must be populated as Individual_TIN or Business_TIN. Unknown is not allowed.	All