Section	06	EXPENDITURES AND TRAVEL	Effective Date	12/08/2015
Sub-section	10	1099 Reporting	Revision Date	10/22/2025

BACKGROUND

The State Controller's Office coordinates the printing of forms 1099-MISC, 1099-NEC, and 1099-G and the initial electronic reporting to the Internal Revenue Service. However, state agencies are responsible for the data used to create the forms and the electronic files.

A Form 1099-MISC must be filed for the following types of payments:

- Box 01 - Rents
- Box 02 - Royalties
- Box 03 - Prizes and awards,
- Box 03 - Other income payments
- Box 03 - The cash paid from a notional principal contract to an individual, partnership, or estate
- Box 05 - Any fishing boat proceeds
- Box 06 - Medical and health care payments
- Box 09 - Crop insurance proceeds
- Box 10 - Payments to an attorney (for settlements)
- Box 12 - Section 409A deferrals
- Box 15 - Nonqualified deferred compensation

A Form 1099-NEC must be filed for the following types of payments:

- Box 01 - Services performed by someone who is not your employee (including parts and materials),
- Box 01 - Cash payments for fish (or other aquatic life) you purchase from anyone engaged in the trade or business of catching fish
- Box 01 - Payments to an attorney (for legal services)

A Form 1099-G must be filed for the following types of payments:

- Box 01 - Unemployment compensation
- Box 02 - State or local income tax refunds, credits, or offsets
- Box 04 - Federal income tax withheld
- Box 05 - RTAA payments
- Box 06 - Taxable grants
- Box 07 - Agriculture payments

In general, payments to corporations are excluded from the 1099 reporting. However, the following payments made to corporations must be reported on form 1099-MISC or 1099-NEC:

- Medical and health care payments (1099-MISC Box 06)

- Attorney's fees (1099-NEC Box 01)
- Gross proceeds paid to an attorney (1099-MISC Box 10)

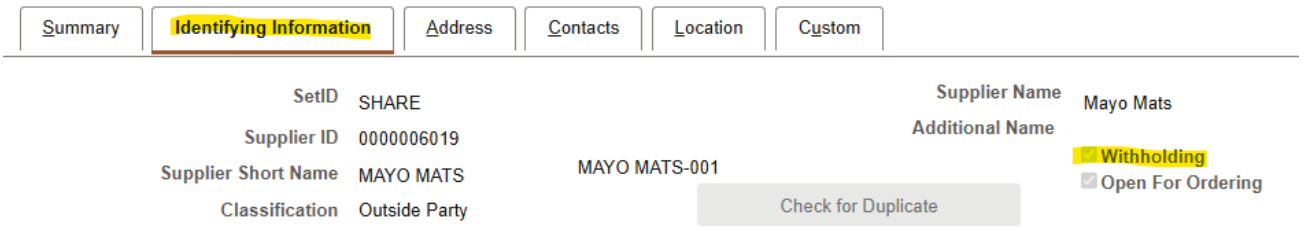
POLICIES

Calendar Year 2025 1099-MISC, 1099-NEC, and 1099-G reporting
Executive branch agencies will make payments under a single Enterprise EIN, with the exception of those payment applications that have been identified with the SCO as needing their own EIN. 1099-reportable Specialized Disbursement payments must be added as adjustments in STAR, unless other arrangements have been made directly with the SCO. The 1099 forms will be printed with a payer name of "State of Wisconsin Consolidated Agency Reporting" and will include the State Controller's Office address and telephone number.

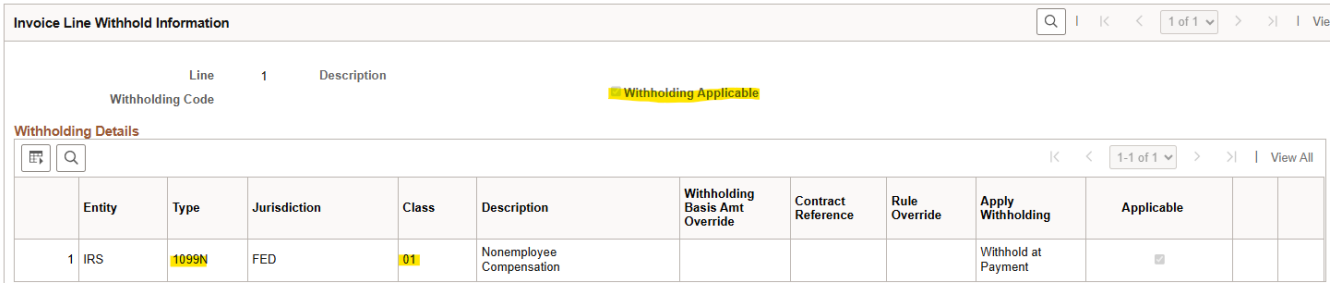
PROCEDURES

The 1099 reportability of a payment made in STAR is based on two elements:

1. Whether the "Withholding" box is selected on the Identifying Information page in the Supplier table:



2. And, whether the "Withholding Applicable" box is selected on the Withholding Information page of voucher entry:



In addition, the box where the payment will be reported on the 1099 form, known as the "Withholding Class" in STAR, is determine based on the Class on the Withholding Details section.

If a Supplier has the Withholding check box selected, ALL payments recorded to that Supplier will be considered reportable, UNLESS the "Withholding Applicable" check box is unselected on the voucher. If the Supplier does not have the Withholding check box selected – no payments will be considered 1099 reportable for that Supplier.

1099 ADJUSTMENTS FOR CY 2025

Adjustments to be made by the SCO:

This delivered 1099 functionality creates the need for the following adjustments, **which will be performed centrally, by the SCO:**

- **For reportable STAR Suppliers** – Those with the "Withholding" check box selected, the SCO will review all payments to that Supplier, and will make a 1099 Adjustment for the total of those payments that are not coded to reportable accounts. These adjustments are captured in Category 2 of the 1099 Reporting Matrix (page 6).

- **For non-reportable STAR Suppliers**– Those with the "Withholding" check box unselected, the SCO will review payments made to the 1099 exception accounts (medical services and legal expenses), and make a 1099 Adjustment for the total of those exception payments. These adjustments are captured in Category 5 of the 1099 Reporting Matrix (page 6).

- **Box Number ("Class" in STAR)** – The SCO will review the WI_AP_1099_CTRL_DTL_COMP_2020 query for all agencies, and will adjust for any "box errors" – those payments that are not reflecting the correct box/class in STAR. These adjustments are captured in Category 1 of the 1099 Reporting Matrix (page 6).

Adjustments to be made by the Agencies (submitted to the SCO via a 1099 Agency Adjustments Form)

- **Incorrect account codes used on vouchers** - Agencies should review the WI_AP_1099_CTRL_DTL_COMP_2020 query and pay special attention to the column labelled "1099 Class (From acct value)", this is where the payment will be reported on the 1099. If an incorrect account was used on a voucher the agency will need to track that correction on an Agency 1099 Adjustment Worksheet to be provided by the SCO. These adjustments are captured in Categories 1 and 2 of the 1099 Reporting Matrix (page 6).

- **Other adjustments (i.e., refunds of expenditures, and other GL journal adjustments)** – GL journal and other non-AP transactions in STAR do not include the Supplier ID. So, any adjustments to 1099 reportable Suppliers that are made via GL journal/AR or other STAR modules must be tracked by the agency on the Agency 1099 Adjustment Worksheet, and then the worksheet must be submitted to the SCO. The SCO will then make the related adjustment to the 1099 reporting area in STAR – and the adjustment will show on the WI_AP_1099_CTRL_DTL_COMP_2020 query.

- **Review of SINGLEPAY vouchers** - Although SINGLEPAY supplier should not be used for any payment that is 1099 reportable, a review of SINGLEPAY vouchers should be conducted using the WI_AP_SINGLE_PAY_VCHRS query to look for payments made to suppliers that already exist within the supplier table and/or any payments made using 1099 reportable account codes. Any adjustments that need to be made to these SINGLEPAY vouchers should be tracked and reported to the SCO on the Agency 1099 Adjustment Worksheet.

  1. **For multiple payments made using the SINGLEPAY supplier to individuals/businesses that need to be set up as suppliers, complete the following:**
     - Have the supplier complete a W9 form and submit it to the STAR Supplier Support Request Dashboard asking that the effective date be 1/1/20xx so that a new supplier can be created in STAR
     - Obtain the supplier ID to include in the tracking form submitted to SCO
     - Add all payments that were made to this supplier via SINGLEPAY to the Agency 1099 Adjustment Worksheet so that they can be adjusted by the SCO.

  2. **For suppliers that already exist within the supplier table but were paid via a SINGLEPAY voucher**
     - Add all payments that were made to that supplier using SINGLEPAY vouchers to the Agency 1099 Adjustment Worksheet being sure to include the supplier ID that those payments should be reported under.

  3. **For 1099 reportable account codes that were used on a SINGLEPAY voucher**
     - Double check that the correct account code was used for the type of payment being made.
     - If the account code is correct and 1099 Reportable
       - Determine if the supplier exists within the supplier table.
         - If Yes, report the payment on the Agency 1099 Adjustment Worksheet including the correct supplier ID
         - If No, see above instructions for individuals/businesses that need to be set up as suppliers.

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CY 2025 1099 REPORTABLE TRANSACTIONS - SUMMARY

System	Transactions	Entry Type on WI_AP_1099_CTRL_DTL_COMP_2020
STAR	Payments	Original
STAR	SCO Adjustments	Adjustment
STAR	Agency Adjustments	Adjustment

CY 2025 1099 REPORTING CALENDAR

Date	Event
1/9/2026	Deadline for submitting agency adjustment worksheets to the SCO
1/12/2026	SCO enters all Agency and SCO adjustments into STAR
1/14/2026	Final agency review of WI_AP_1099_CTRL_DTL_COMP_2020
1/19 – 1/21/2026	1099 Printing and Mailing by DOA

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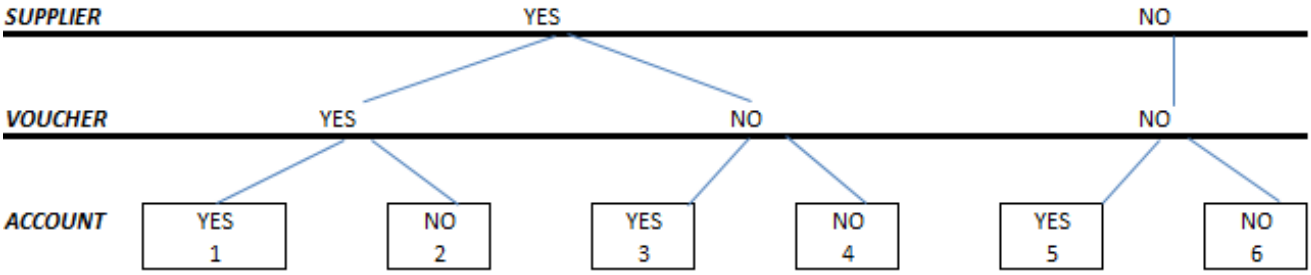
1099 Reporting Matrix - STAR



Category	Agency Actions	SCO Actions
1	Correct for Account Coding Errors - Review WI_AP_1099_CTRL_DTL_COMP_2020 query and Submit Account Changes on 1099 Agency Adjustments Form	Make Box number adjustments per WI_AP_1099_CTRL_DTL_COMP_2020 query
2	Correct for Account Coding Errors - Review WI_AP_1099_CTRL_DTL_COMP_2020 query and Submit Account Changes on 1099 Agency Adjustments Form	Adjust to Remove Non-Reportable Accounts per WI_AP_1099_CTRL_DTL_COMP_2020 query
3	None	Adjust to Reportable
4	None	None
5	None	Adjust to Reportable - Legal/Medical
6	None	None

SUMMARY

- Agencies review WI_AP_1099_CTRL_DTL_COMP_2020 query and correct for account coding errors.
- SCO corrects for any reportable/non-reportable accounts within reportable/non-reportable suppliers.