

1099 Electronic Filing Information for 2024

Due to the dramatic lowering of the threshold for electronic filing of W2/1099 files, 2023 was a difficult PR tax year-end. We hope that our customers will be taking some time this summer to get better prepared for January 2025 to electronically file their 2024 year-end W2 and 1099 files.

PC Software has made a few decisions about how we will program for 1099 electronic filing for the 2024 tax year (for January of 2025). "We have confirmed by talking to IRS employees that the **FIRE System** of 1099 electronic reporting will be around for the foreseeable future. Several IRS web pages seemingly promote IRIS more favorably than the FIRE System, but we have concluded that the **FIRE System** is definitely superior, and therefore the **FIRE System** is what we are using going forward. Here are the reasons why we are continuing with the **FIRE System**.

- 1) The IRIS System does not cover the 1098. The **FIRE System** covers all of the 1099/1098 forms that we support.
- 2) The IRIS System supports CSV files up to a maximum of 100 recipients. Beyond 100, there is an XML system that needs to be filed by a third party (possibly PC Software). The **FIRE System** has only one method of filing electronically, has no numeric limit that would ever be reached by a PC Software customer, and it can be directly filed by anyone with a valid **FIRE TCC**.
- 3) All of our software is already programmed to conform to the **FIRE System**. Therefore it will be a much smoother tax season in January of 2025 if we stick with what we already have.

To file 1099's electronically for the 2024 tax year you will need to apply for and get a **FIRE TCC** from the IRS. Under the best of conditions, it takes at least a week to get a **FIRE TCC** from the IRS. The best conditions occur in the summer and early

fall. If you wait until December to apply for a **FIRE TCC** you are taking a chance that you might not get it before January 31.

AN IRIS TCC IS NOT THE SAME AND WILL NOT WORK FOR THE FIRE SYSTEM

The W2 electronic filing went much smoother than the 1099 electronic filing for the 2023 tax year. To file W2's electronically for the 2024 tax year, you will need a **USER ID** from the **SSA**.

To avoid surprises, we recommend that sometime this summer or early fall, everyone with a **FIRE TCC Number** tries to log into **fire.irs.gov** just to make sure that your **FIRE TCC** is working correctly for the January 2025 filing season. Those with a **USER ID** from the **SSA**, might also try to log into BSO for similar reasons.

Instructions for getting a **FIRE TCC**

- 1) Go to **irs.gov/fire**
- 2) Near the top right look for “**Additional Information**” section
- 3) Take the 2nd bulleted item “**Access IR Application for TCC**”
- 4) You must sign in with **ID.Me**
- 5) You will now be in the screen where you can fill in your application.
- 6) IRS hot line **1-866-455-7438**. Choose **Option 4** then **Option 4** again to get to talk to a person