

## Tax Year 2023 Form Update

The good news is that there have been very few notable form changes for tax year 2023. Let's start with the forms that are not changing this year:

- **1099-A, 1099-C, 1099-CAP, 1099-DIV, 1099-G, 1099-H, 1099-INT, 1099-K, 1099-LTC, 1099-MISC, 1099-NEC, 1099-OID, 1099-Q, 1099-S, 1099-SA, 1099-LS, 1099-SB**
- **1098, 1098-C, 1098-E, 1098-T**
- **3921, 3922**
- **W-2G**

### A few forms have minimal changes. These forms include:

- **1099-K (Payment Card & Third Party Network Transactions)** – While there have been no updates to the 1099-K form itself for tax year 2023, the change lowering the reporting threshold from \$20,000 to \$600 in payments, with no transaction limit. This change was signaled last tax year but was deferred. The new lowered reporting threshold will be in effect for tax year 2023.
- **1099-PATR (Patronage Dividends)** – Updated to Continuous Use and instructions updated to remove references to specific years. Box 12 was updated to include sustainable aviation fuel mixture credit.
- **1099-R (Retirement Plan Distributions)** - update to the 2023 tax year only. IRS signaling a more comprehensive redesign of this for tax year 2024.
- **Form 5498 - (IRA Contributions)** - In addition to tax year updates throughout the form and instructions, the threshold for the amount in Box 1 to report IRA contributions other than amounts reported in specified boxes, increased from amounts exceeding \$6,000 for individuals under 50 and \$7,000 for participants 50 or older - to - \$6,500 for individuals under 50 and \$7,500 for participants 50 or older. To view the 2023 Instructions, click [here](#).
- **Form 5498-ESA (Education Savings Account)** – Form instructions were updated for 2023. Coverdell ESA Contribution Information updated for 2023. No changes to the form other than updating the year from 2022 to 2023. To view the 2023 Instructions, click [here](#).
- **Form 5498-SA (Health Savings Account)** – No changes other than updating the year from 2022 to 2023.

## Forms In Focus:

### Form W-2

For tax year 2023 form W-2 has a number of notable changes:

- First, the W-2 Form series has been redesigned. If you enter information on Copy 1 of a W-2 Series form in boxes B, C, 2, or D on IRS.gov, the information will automatically populate the

other copies. Additionally, Copy D and the Note for employers on Copy D have been removed from W-2AS, W-2GU, and W-2VI.

- Second, the W-2 is one of the forms subject to the electronic filing threshold change that has been implemented beginning with tax year 2023. As a result, if your business has an aggregate total of 10 or more W-2, 1099, 1042-S or 1095 forms you will now be required to file electronically. See [this article](#) for all of the details on this change.

Find form W-2 [here](#).

Find form W-2c [here](#).

## Form 1042-S

The IRS recently released the 2023 versions of the 1042-S form and instructions. The most significant changes pertain to regulations 1446(a) and (f) that require withholding and reporting on distributions made by Publicly Traded Partnerships (PTPs). These changes are effective beginning with the 2023 tax year.

- Income code 58 (Publicly Traded Partnership distributions - undetermined) has been added and applies to certain income paid by nominees.
- Income code 39 (Disclosing QI) has been added and applies to certain payments by brokers, PTPs, or nominees.
- Status Code 39 was added for TY23 for when a broker, publicly traded partnership, or nominee makes a payment of an amount realized or a PTP distribution to a QU acting as a disclosing QI.
- The instructions also contain new reporting and withholding requirements related to 1446(f) and PTPs, and reflect that PTPs (and brokers selling PTP interests) can use the reimbursements and set-off procedures for the purposes of the new regulations.
- Other changes reflect revised reporting procedures for territory Financial Institutions (FIs). FI related status codes 03 and 04 have been merged into codes 05 and 06. (See new footnotes 10 and 11 on the form.)
- Additionally, exemption code 09 has been removed.

Find form 1042-S [here](#).

The 1042-S instructions [here](#).

1099Pro software for tax year 2023 is up to date and ready to help you manage these form updates and we will continue to monitor changes and update our software as needed before January. If you have questions regarding any of these changes and how they may impact your organization – please consult your tax advisor.