

I.30.6 Manage Tax Reporting

This document is a draft and subject to change

Revision History

Version	Date	Revision Notes

DRAFT

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Business Process Overview

The Manage Tax Reporting interim business process addresses how tax reporting and withholding are handled for supplier and non-payroll payments. Florida Palm is used to report taxable payments to the IRS, the State of Florida, and the applicable suppliers. It is also used to withhold federal and state taxes from payments as required by federal and state laws. As part of the Set Up and Maintain Suppliers business process, the 1099 information is collected and configured within Florida PALM.

Dependencies and Constraints

- All errors must be fixed in the source system.
- All reports are available to Wave organizations in Florida PALM and/or the Information Warehouse.
- Wave organizations review tax reports in Florida PALM.
- Florida PALM is the book of record for tax reporting.
- Applicable suppliers are required to have a Tax Identification Number (TIN) that is validated with the Internal Revenue Service (IRS) prior to issuance of a tax reportable payment
- Entities are subject to TIN validation based on DFS policy to comply with IRS requirements
- Applicable suppliers are required to provide 1099 information, which is used for withholding and 1099 reporting
- Entities are subject to 1099 reporting based on DFS policy to comply with IRS requirements
- Employees and retirees may be subject to tax reporting requirements for payments other than payroll or pension payments
- Payroll and pension tax reporting requirements are not included in this business process
- The 1099 withhold report is generated for disbursements issued with a 1099-applicable object code(s) in Florida PALM
- The IRS is established as the withholding entity and assigned a unique Supplier ID

Business Process Flow Details

Table 1: Process Steps Included on Interim Business Process Model Flow

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Swim Lanes – Definition	DFS 1099 Processor: DFS role responsible for preparation, final review, and approval of 1099 issuance Wave Organization AP Processor: Wave organization role responsible for entering invoices and voucher corrections, and issuing and maintaining disbursements	
Process Step ID	Process Step Title	Description of Process
1	30.6 Manage Tax Reporting Steps 1-10	Prior to reviewing the report in Florida PALM, voucher and payment information are combined to generate 1099 reportable data, which is used to generate the 1099 reports. All payments must be posted to be included. The applicability of tax withholding and reporting is identified in

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Process Step ID	Process Step Title	Description of Process
		the supplier records via the Set Up and Maintain Supplier business process. State payments are marked as applicable for tax withholding or reporting through the supplier record configuration and/or the accounting codes recorded on the voucher.
2	Review Withhold 1099 IRS Report	The Wave Organization AP Processor reviews the Withhold 1099 IRS Report to identify if any corrections are needed and to provide feedback to DFS.
3	30.6 Manage Tax Reporting Step 11	If corrections are needed, the Wave Organization AP Processor updates the applicable vouchers for tax reporting purposes in Florida PALM.
4	30.6 Manage Tax Reporting Step 5	If corrections are needed, the DFS 1099 Processor coordinates with the Wave Organization AP Processor for corrections to voucher line data in Florida PALM. Withholding applicability, entity, type, and jurisdiction per voucher line can be changed. Additionally, the supplier profile can be updated.
5	30.6 Manage Tax Reporting Steps 6-15	After all final adjustments and corrections are completed, the generated 1099 reports are reviewed, printed, and mailed to the suppliers. Florida PALM generates reports for reporting payments to foreign suppliers (IRS Form 1042/1042S) and nonpayroll payments such as gambling winnings (IRS Form 945). Florida PALM also generates a 1099/W-9 reconciliation report for DFS to verify that all required 1099s have been printed and to print any 1099s that were missed.

Interim Reports

Table 2: Reports Included on Interim State Business Process Model Flow

Report Number	Report Description	Report Frequency	Audience
R1	Withhold 1099 IRS Report – a report of all 1099s generated using transactional data and the specific configuration of the supplier profile	Periodic	Organizations, DFS