

AMERICAN PAYROLL ASSOCIATION

September 4, 2019

Ms. Laurie Brimmer
Senior Tax Analyst
Internal Revenue Service, Room 6526
1111 Constitution Avenue, NW
Washington, DC 20224

Re: Comments on the IRS's Notice and Request for Comments on Form 1099-NEC, *Nonemployee Compensation*; 84 Fed. Reg. 37012 (July 30, 2019)

Dear Ms. Brimmer:

The American Payroll Association (APA) recognizes the burden placed on the IRS and businesses by a provision in the Protecting Americans from Tax Hikes Act of 2015 that has resulted in different deadlines for Forms 1099-MISC depending on whether nonemployee compensation (NEC) is being reported on the form. Therefore, APA supports the IRS's decision to reinstate the Form 1099-NEC.

In addition, APA appreciates the implementation schedule for providing employee (payee) copies and for filing the form with the IRS by February 1, 2021. This provides sufficient time for software developers to reconfigure their systems to accommodate the new form and test system functionality. Payroll and accounts payable departments also will have sufficient time to learn the new form and instructions.

APA requests that the IRS provide additional guidance and inform taxpayers that although there are new nonemployee compensation reporting requirements, the worker classification provisions are unchanged and complex. As nontraditional work arrangements continue to grow, understanding the difference between employee and nonemployee compensation and employee and independent contractor becomes more complicated, therefore, additional guidance is needed.

About APA

APA is a nonprofit association serving the interests of about 21,000 payroll professionals nationwide. APA's primary mission is to educate its members and the payroll industry about the best practices associated with paying America's workers while complying with applicable federal, state, and local laws and regulations. APA members are directly responsible for calculating wages and tax withholding for their employers.

Sincerely,

Rebecca Harshberger

Rebecca Harshberger, CPP
Cochair, APA IRS Issues
Subcommittee

Stephanie Salavejus

Stephanie Salavejus, CPP
Cochair, APA IRS Issues
Subcommittee

Alice P. Jacobsohn

Alice P. Jacobsohn, Esq.
Senior Manager,
Government Relations