

S A G E 5 0 0 E R P

Release Notes

Version 2023 1099 Update

Tax Year 2025

Sage Software, Inc.

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1. General

1.1. Acknowledgments

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1.2. Disclaimer

Any prior customizations may be altered or overwritten upon installation of this product update. The user assumes all responsibility for corruption or loss of data. Database backups are suggested prior to applying this product update.

Having custom 1099 data in your system that is not provided by Sage Software, or if you have renamed any of your 1099 boxes, may cause the upgrade process to fail. To maintain 1099 integrity, checks and assumptions are made throughout the upgrade process, and any customization can cause failures or unexpected results. ***It is your responsibility to address these issues with your customizing vendor prior to upgrading.***

2. Best Practices

The section should be reviewed prior to installing the 1099 updates each year that updates are necessary. By following the best practices suggestions, your 1099 processing should go smoothly from tax year to tax year.

2.1. Open Batches

In general, you should be sure to post any batches that contain vendor 1099 data that may affect the current tax year's 1099 amounts. For example, if it is January 2026 and the tax year is 2025, the Process Invoices for Payment batches could contain transaction with a transaction date in calendar year 2025 for a vendor that receives 1099s. Failure to post such a batch prior to processing 1099s could lead to their TY 2025 amounts being underreported. In this example, it is not good enough that the checks were printed, but the batch must also be posted.

2.2. Sage 500 ERP Tax Forms Service Installation

2.2.1. General

This application adds the third party 1099 processor's software to the Sage 500 ERP installation. Both are required to complete a 1099 submission. Only install the tax service software on a single Sage 500 ERP client machine because data files are stored on the local machine and not within the tax service. Users sharing a single client machine will generally be OK as any user specific data is not critical to history.

The Sage 500 ERP Tax Forms Service should not be confused with the client install of the 1099 update. The Sage 500 ERP Tax Forms Service should only be installed on one client, while the client portion of the 1099 update should be installed on each client. The Sage 500 ERP Tax Forms Service install was updated for Tax Year (TY) 2024 and needs to be updated on any client that is designated to handle 1099 processing for your company, while the client portion of the 1099 updates is installed on each client when a tax year has changes.

Previous to TY 2024, the same version of the Sage 500 ERP Tax Forms Service was used regardless of which version of Sage 500 ERP was being used. Starting with TY 2024, all Sage 500 ERP versions must install the newest version of the Sage 500 ERP Tax Forms Service. This requires that the previous version is uninstalled, and the new version is installed. Do not confuse this with the Aatrix Software auto-update that occurs. Aatrix Software now requires the 2024 version of the Sage 500 ERP Tax Forms Service to function correctly going forward.

Note that when Sage 500 ERP Tax Forms Service is installed or uninstalled, the Windows user doing this will likely need administrator privileges.

Add "C:\Program Data\Aatrix Software\Aatrix Forms\Sage500\Sage500 ERP Data" to the locations to be backed up for that machine (possibly adjusting the path as mentioned in the next section). Recall that almost all the tax service software's data is stored on the client machine and not within the tax service itself. Ideally, this would be done before 1099 submissions are started for the tax year, and again after the submission are complete for that tax year.

If there is existing 1099 data on the submitting client for a tax year, and the later tax years are submitting using a different client machine, then the previous tax year history within the third-party application may not be able to be seen on the current client submitting the data, and the previous tax year client will not be able to see the later years submission(s). If you wish to change the client machine submitting the data, back up the data on the old client machine as described previously and restore it to the new client machine that will be used to submit data.

Using the single client install will cause any other clients to receive a program not installed error when trying to process a 1099 submission, which would be expected since the ideal setup is to only have it on one client. Remember, this helps ensure that a single client is used, which is best way for things to be from the third party's software point of view.

2.2.2. The ProgramData Directory

On most Windows systems, the ProgramData directory will reside in C:\ProgramData. It is possible that this directory may exist in other locations, especially in virtualized environment. Sage 500 ERP uses a Windows' environment variable to determine this location and it is not hard coded in the Sage 500 ERP applications.

Sage 500 ERP will dynamically adjust the ProgramData portion of the paths using the Windows environment variables value. If you wish to confirm the location of the ProgramData directory, do the following:

1. Open a command window (DOS/PowerShell)
2. At the prompt, type "SET ProgramData" (without the quotes).
3. In most installations you would see "ProgramData=C:\ProgramData"
4. If it is not, then the previously mentioned path "C:\Program Data\Aatrix Software\Aatrix Forms\Sage500\Sage500 ERP Data" should have the yellow part replaced with whatever the SET command returned. Note that none of this will exist if the Sage 500 Tax Forms Service has not been installed on a client, so if you are changing client machines, install the Sage 500 Tax Forms Service on the new client before trying to restore data to it.
5. If moving previously filed tax years to a new client, you should do this BEFORE processing the current year's submissions.

3. 1099 Update

The primary change for TY 2025 is the IRS driven change that moves the Golden Parachute 1099 box from MISC Box 14 to NEC Box 3. The updated files will move any existing data as necessary to accomplish this and the 1099 Form/Box data is updated accordingly for TY 2025. Note that a non-IRS box “*14” for the MISC form has been added for historical references.

3.1. Files/Objects Modified

3.1.1. Client

- Apz1099FormsSvc was updated. Besides internal changes, the processing behind the <Removed Previous Error Submission> button has been enhanced to include additional messaging, including a final message indicating that the process was successful. Additionally, the Save Settings functionality has been corrected.
- Apz1099FormsSvcLnch was modified for TY 2025. This is a Sage proprietary file that manages the process of converting Sage 500 ERP data into a format that is used by our tax service provider, Aatrix Software. For security reasons, the details and source code for this particular application is never distributed outside of Sage Software.

3.1.2. Database

- spapProcess1099_TaxSvc.sql is a Sage 500 ERP stored procedure that was changed to allow the Golden Parachute 1099 box to move from MISC Box `14 to NEC Box 3.

4. Installation Instructions

4.1. Minimum Requirement

Sage 500 ERP 2023 RTM with the January 2025 PU (8.20.5) or greater is required to use this 1099 TY 2025 update. Alternatively, you may also be able to use an earlier PU level if you have all the 1099 updates applied through TY 2024. This 1099 update for TY 2025 assumes that the system has the TY 2024 updates applied.

In general, it is best if the latest PU for the Sage 500 ERP version is applied.

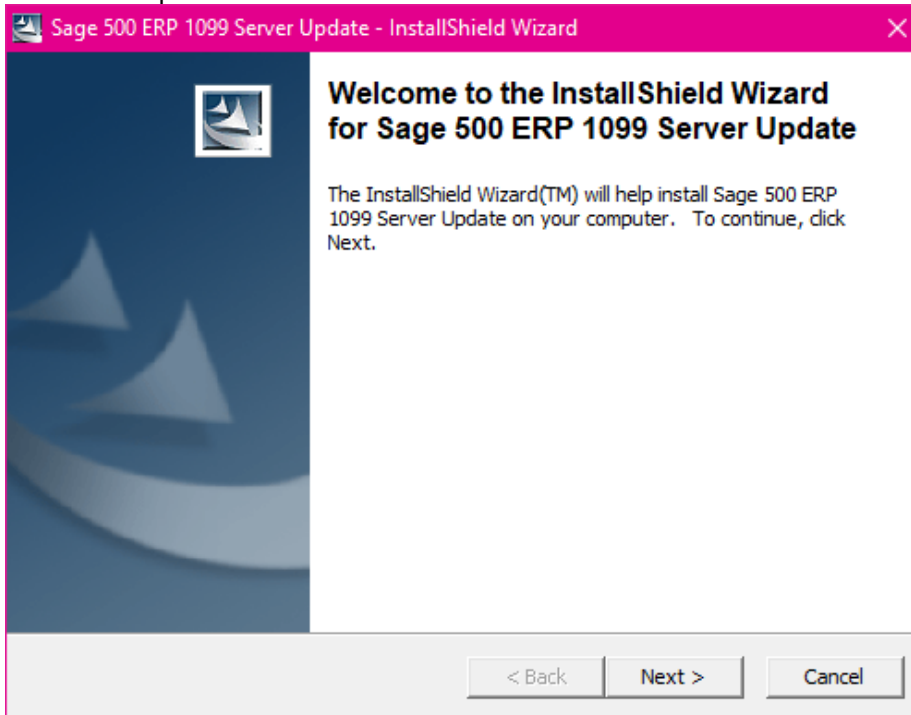
1099 updates are not cumulative, and each one must be applied and be applied in order. For TY 2025, the TY 2024 and prior updates will have been included in the January 2025 PU for the Sage 500 ERP version.

It is recommended that you backup your system and test this update in a test environment prior to deploying it to a production environment.

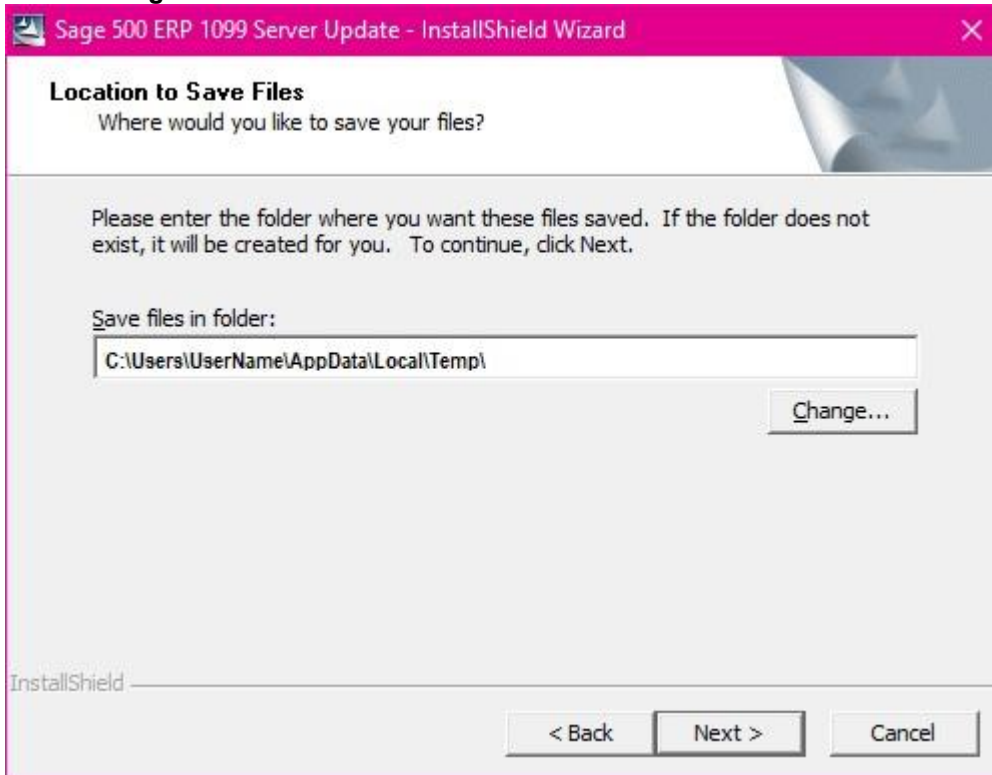
4.2. Installing the Server

Note: All users must log out of the Sage 500 ERP applications prior to installing the server update.

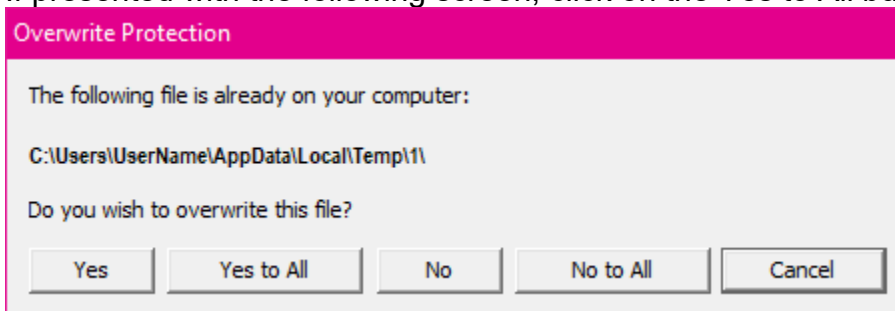
1. To begin the Sage 500 ERP Server installation, double-click v2023_1099Year2025_UpdateS.exe and click **Next** to proceed.



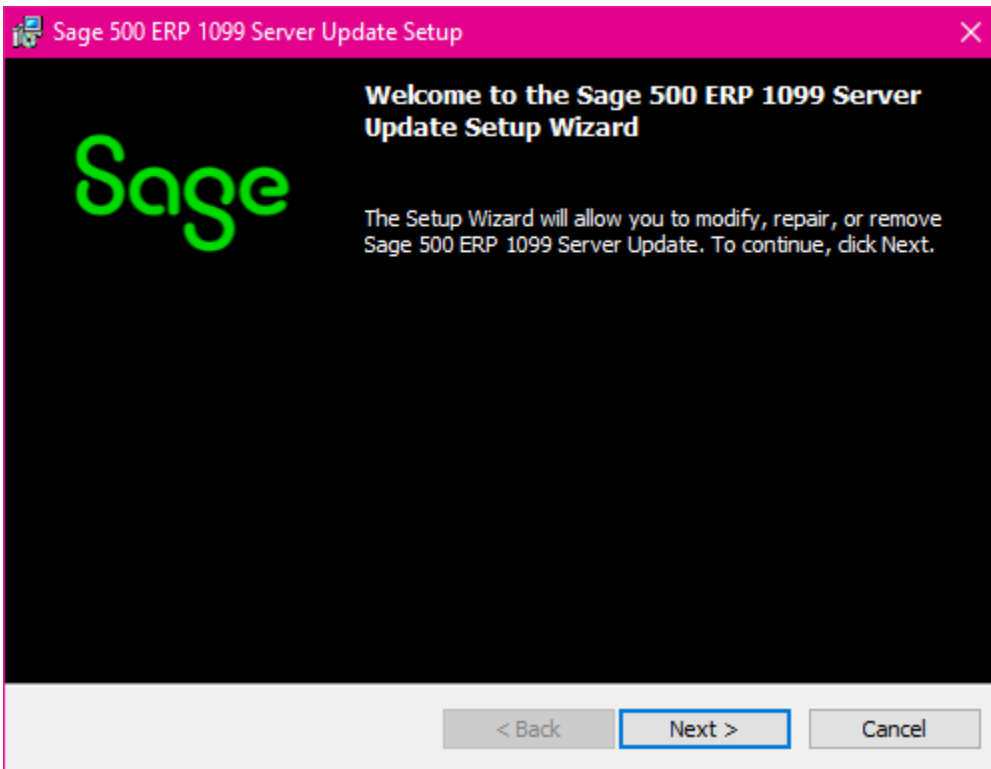
2. Indicate the location to which the installation files should be saved. Select the default location or select **Change** to browse to a different location.



If presented with the following screen, click on the Yes to All button.



3. At the welcome screen, select **Next** to continue, or **Cancel** to exit setup.



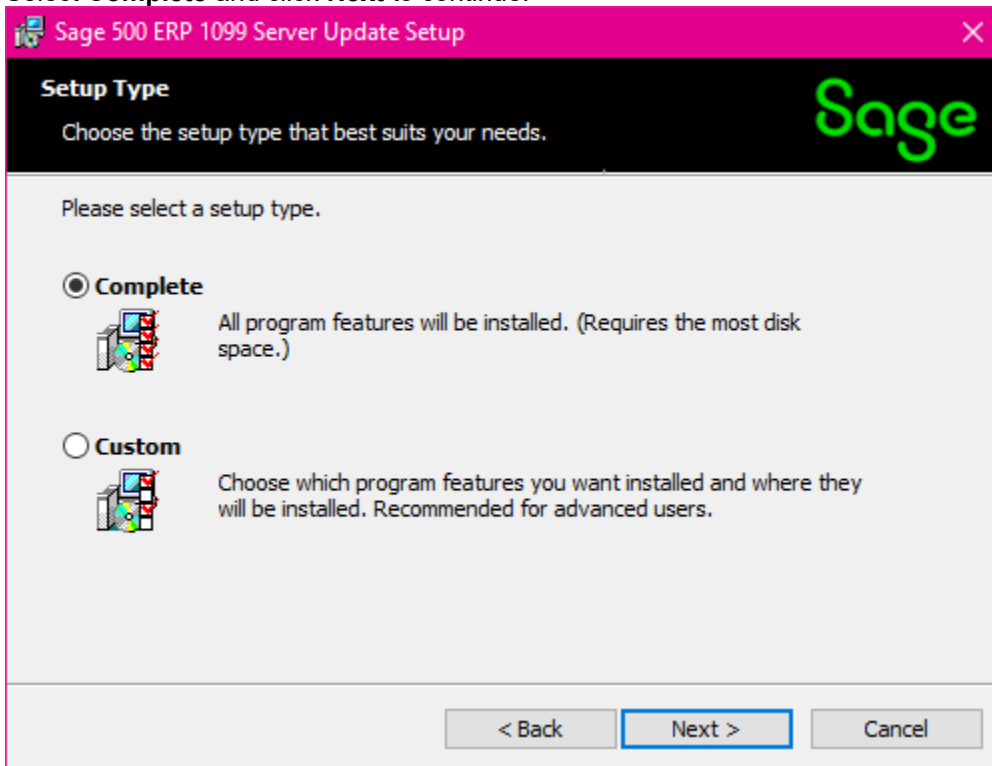
4. Read the License Agreement, select the Accept option and click **Next** to continue.

The screenshot shows a dialog box titled "Sage 500 ERP 1099 Server Update Setup" with a pink header bar. Below the header, the title "License Agreement" is displayed in bold, followed by the instruction "Please read the following license agreement carefully." The Sage logo is in the top right corner. The main content area is titled "Sage End User License Agreement" and contains the following text: "This Agreement governs the use of the Software set forth in Customer's Order Form and any Service Plan Customer elects to purchase with respect to that Software." Below this is a paragraph of legal text: "BY DOING ONE OR MORE OF THE FOLLOWING (OR ALLOWING OR AUTHORIZING A THIRD PARTY TO DO SO ON CUSTOMER'S BEHALF), CUSTOMER SHALL BE DEEMED TO HAVE ACCEPTED AND ENTERED INTO THIS AGREEMENT WITH SAGE AND ANY ADDITIONAL TERMS AND CONDITIONS REQUIRED BY THIRD-PARTY PROVIDERS BY: (1) CLICKING 'AGREE,' 'OK', OR A SIMILAR AFFIRMATION THAT APPEARS DURING ACTIVATION OF THE SOFTWARE OR PRIOR TO THE USE OF THE SOFTWARE, (2)". At the bottom, there are two radio button options: "I accept the terms in the license agreement" (which is selected) and "I do not accept the terms in the license agreement". At the very bottom, there are three buttons: "< Back", "Next >" (highlighted with a blue border), and "Cancel".

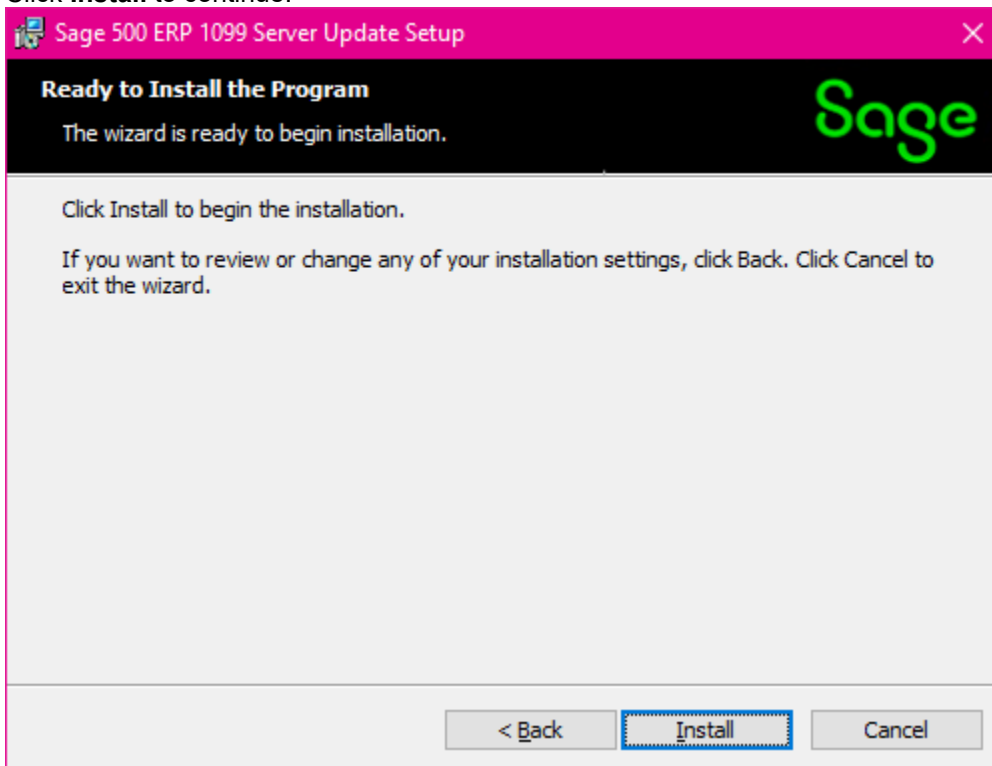
5. Enter the User Name, Organization, Installation option and click **Next** to continue.

The screenshot shows a dialog box titled "Sage 500 ERP 1099 Server Update Setup" with a pink header bar. Below the header, the title "Customer Information" is displayed in bold, followed by the instruction "Please enter your information." The Sage logo is in the top right corner. The main content area has two text input fields: "User Name:" with "Administrator" entered, and "Organization:" with "Sage Software" entered. Below these fields is the text "Install this application for:" followed by two radio button options: "Anyone who uses this computer (all users)" (which is selected) and "Only for me (Administrator)". At the bottom, there are three buttons: "< Back", "Next >" (highlighted with a blue border), and "Cancel".

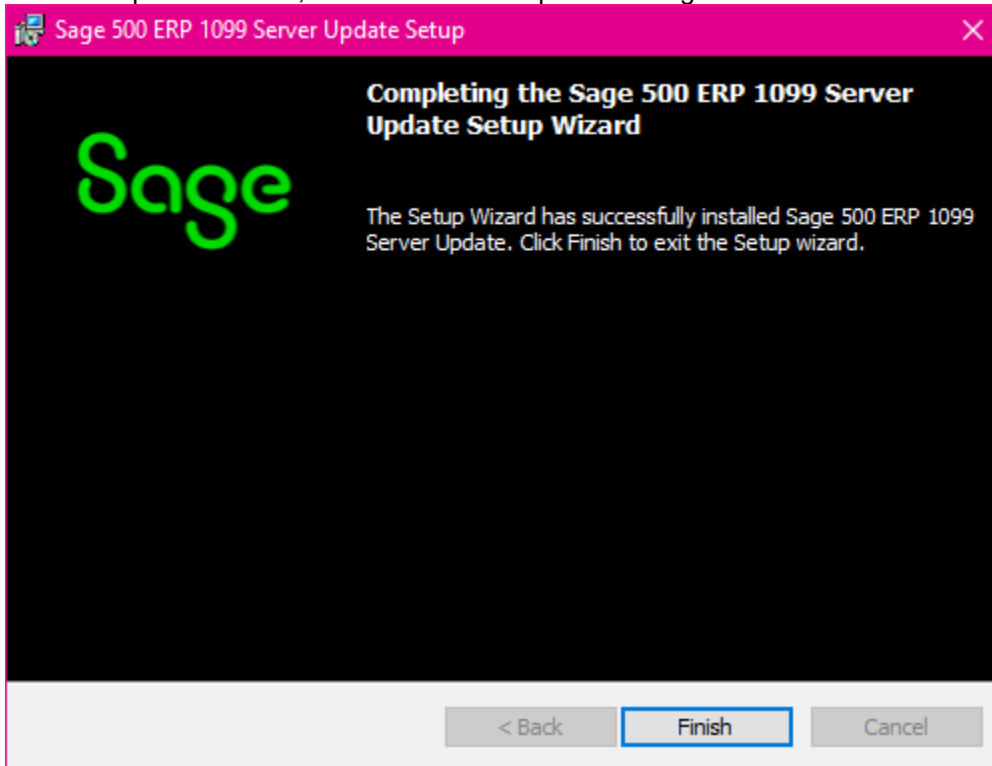
6. Select **Complete** and click **Next** to continue.



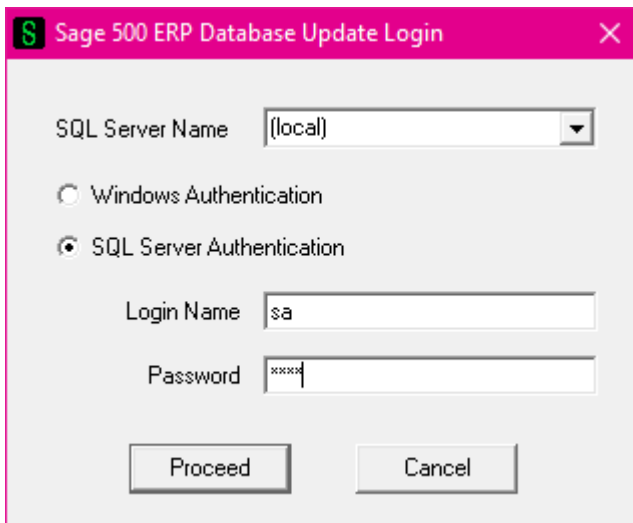
7. Click **Install** to continue.



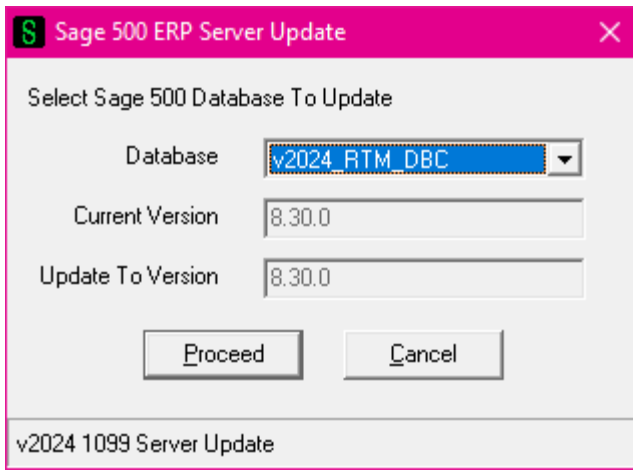
8. At the completion screen, click **Finish** to complete the Sage 500 ERP Server installation.



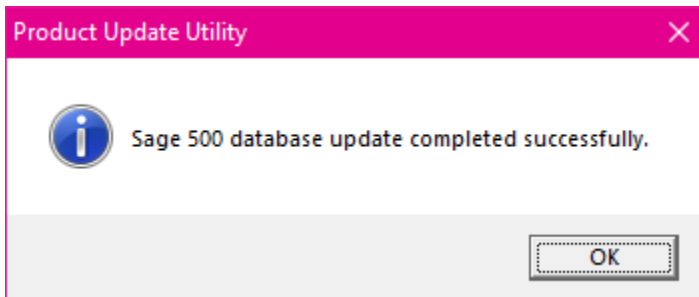
9. The server update utility is now installed. However, the changes have not been applied to any database. A Sage 500 ERP Database Update Login screen was probably launched (and may be behind the install window above). If not, run the 1099 Server Update application from your start menu.



10. Login as appropriate for your system. After logging in, select the database where the 1099 Server Update should be applied and click the Proceed button. Note that any versions shown below may change depending upon your version of Sage 500 ERP and your database names and are shown for example only.

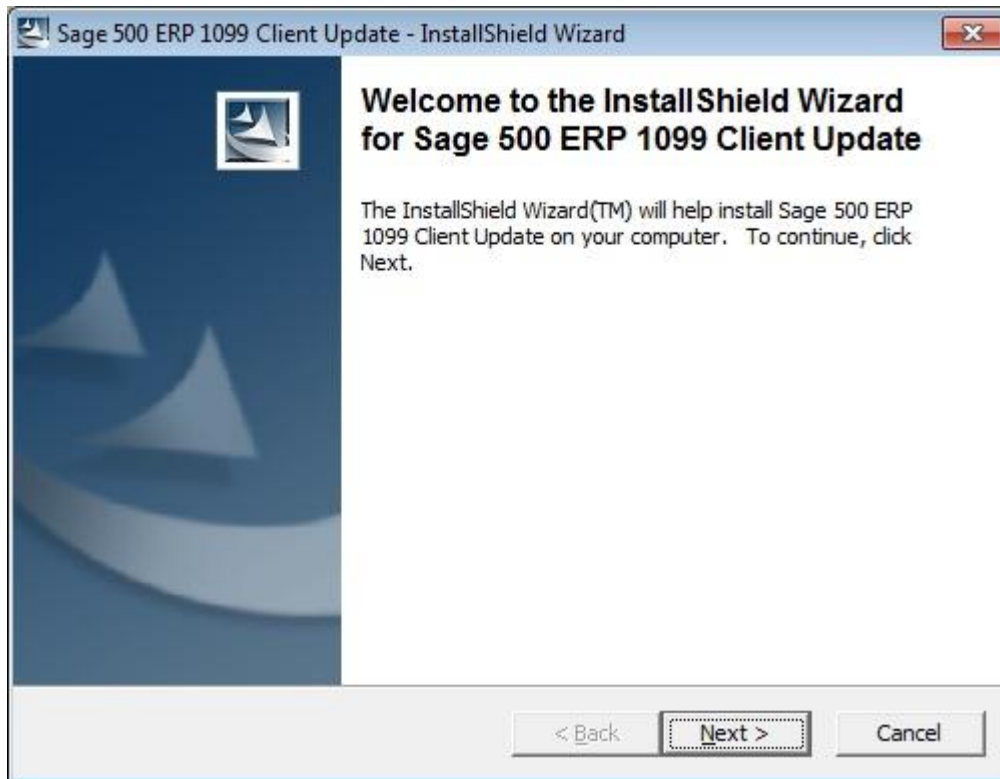


11. Upon success, click the OK button.

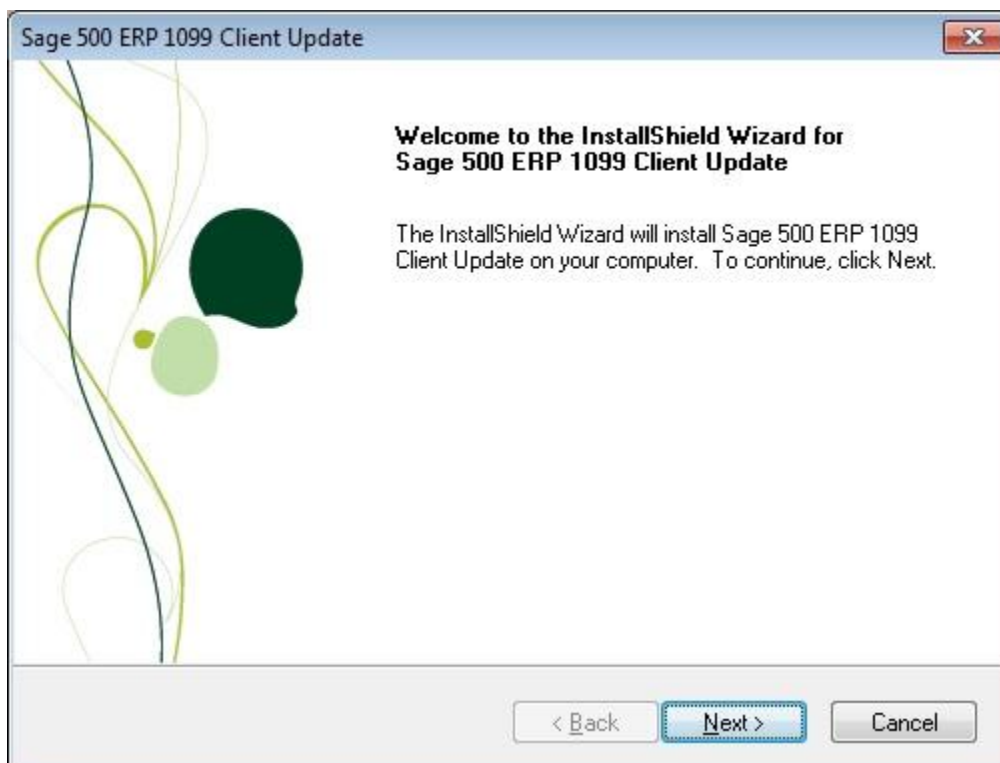


4.3. Installing the Client

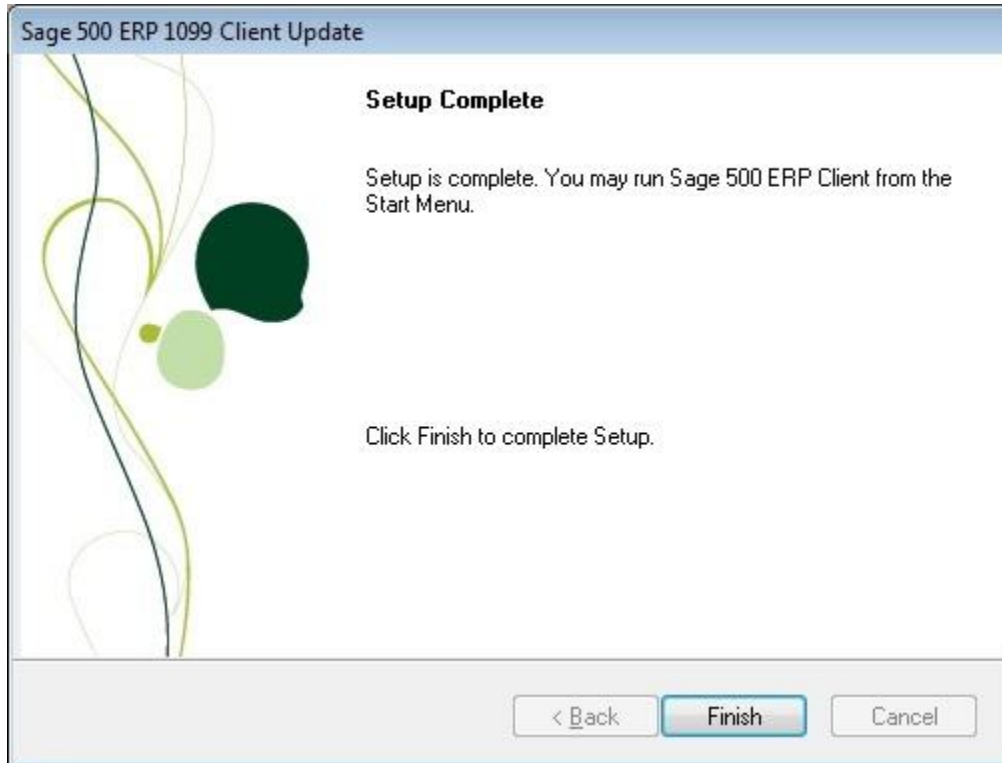
1. Review the section entitled Best Practices. This is the install that should be done for each client.
2. To begin the Sage 500 ERP Client installation, double-click the v2023_1099Year2025_UpdateC.exe. A screen similar to the one below will display, click **Continue** to proceed.



3. At the Welcome screen, click **Next** to continue.





4. At the completion screen, click **Finish** to complete the Sage 500 ERP Client update installation.



4.4. Installing the Sage 500 Tax Forms Service

You must have the TY 2024 version of the Sage 500 Tax Forms Service installed. Check your list of installed programs and verify that the installed version is:

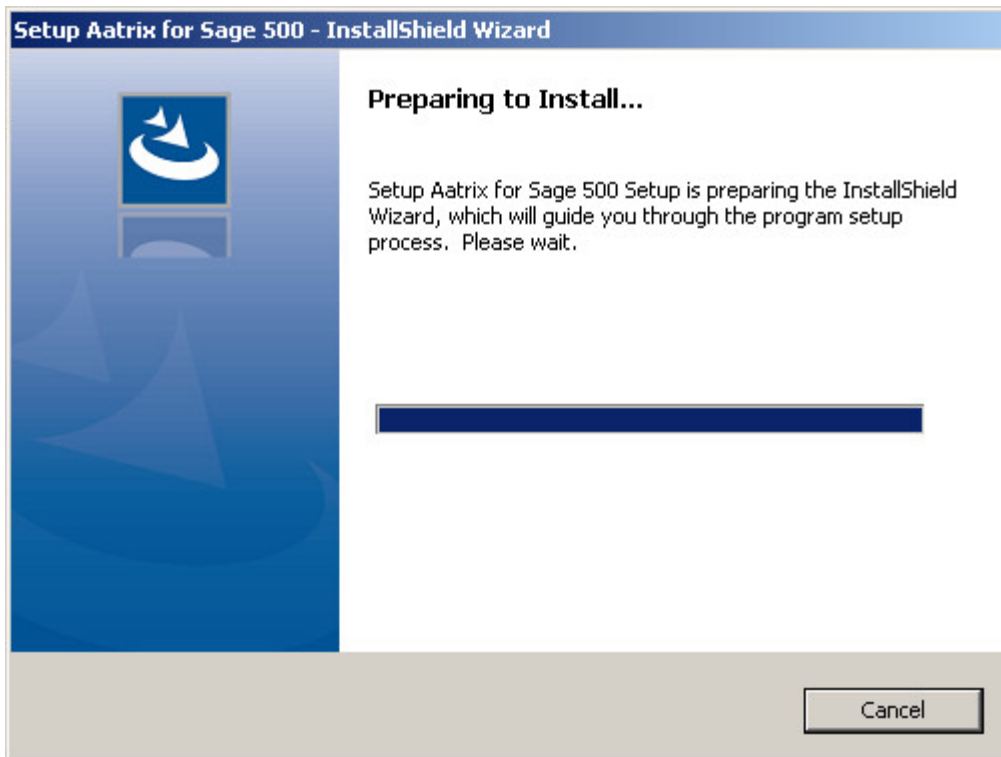
	Sage 500 ERP 2026 Database Utilities 8.40 Sage Software, Inc. 12/3/2025	823 MB	...
	Sage 500 ERP Tax Forms Service 24.3.10 Sage Software, Inc. 11/17/2025	201 MB	...

If you do not have the TY 2024 version of the Sage 500 Tax Forms Service installed on your 1099 processing workstation, you will need to uninstall the current version and install the TY 2024 version, which can be found on the customer download portal.

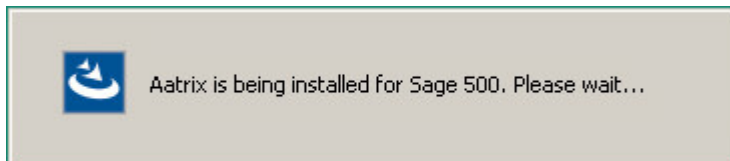
This application installs the Aatrix Software application for use by Sage 500 ERP. The Aatrix Software will update itself when needed, so once installed, no further installation is necessary from a Sage 500 ERP perspective. If this service is not installed yet, then follow the following instructions. The user performing this process will likely need to be a Windows Administrator.

This application needs only to be installed on a single client machine. The same client machine should be used from year-to-year to process 1099s through the third-party 1099 vendor. The third-party 1099 vendor does use some local storage on the client machine. Using the same client machine from year-to-year enables full history functionality. This being the case, it is probably best to only install it on a single client machine. Review the section of this document titled “Best Practices” for backup and other information.

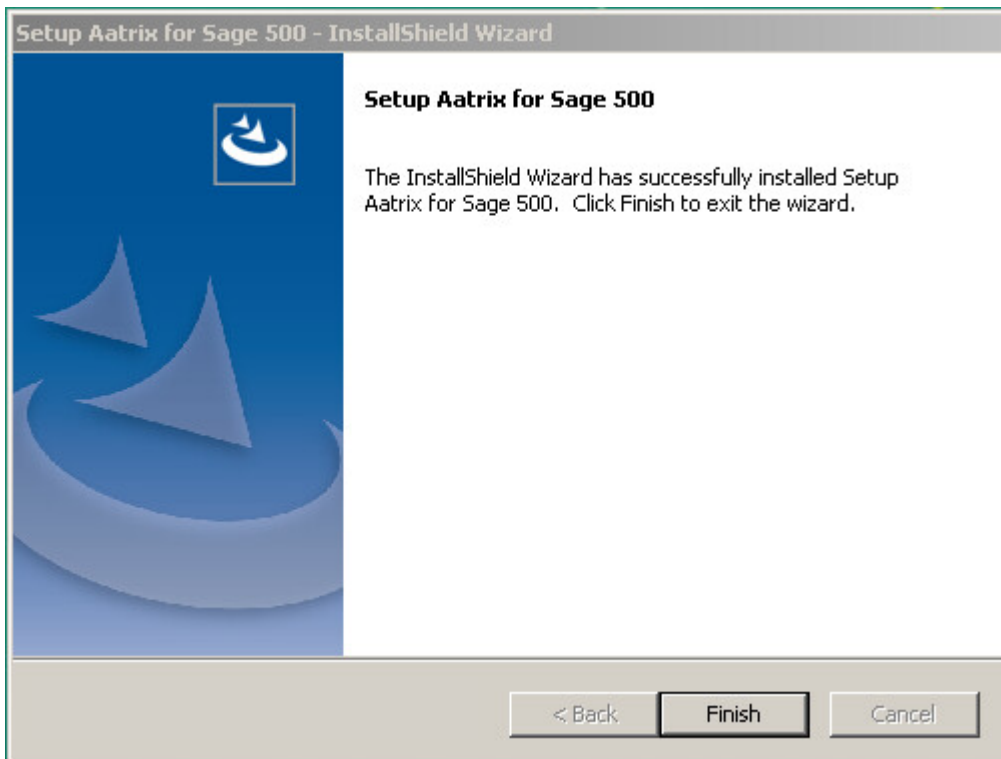
1. To begin the Sage 500 Tax Forms Services installation, double-click the “Install Sage 500 Tax Forms Service.exe”. This install program is available on the Sage download site. A screen similar to the one shown below will display, please let it proceed.



2. In the middle of process, a message box similar to the one below will display, please let it proceed.

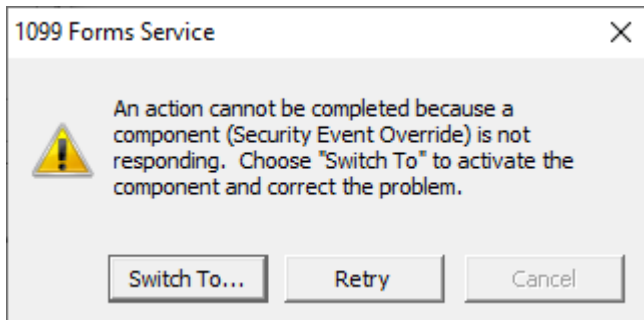


3. At the completion screen, click **Finish** to complete the Sage 500 Tax Forms Services installation.



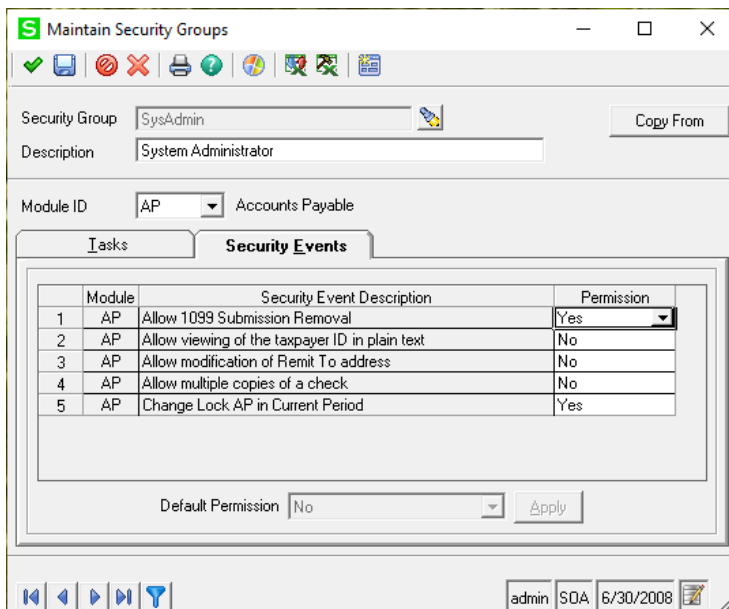
5. Known Issues

- Having custom 1099 data in your system that is not provided by Sage Software, or if you have renamed any of your 1099 boxes, may cause the upgrade process to fail. To maintain 1099 integrity, checks and assumptions are made throughout the upgrade process, and any customization can cause failures or unexpected results. **It is your responsibility to address these issues with your customizing vendor.**
- If you encounter an error while trying to launch the 1099 Forms application (1099 Forms (2016+) on older versions of Sage 500 ERP) in a Microsoft Windows 10 system, then please set the compatibility level for ap1099FormsSvc.exe to Windows 7 on the client that has an issue. This file can typically be found in the “\$Program Files\Sage Software\Sage MAS 500 Client\AP\” or “\$Program Files (x86)\Sage Software\Sage MAS 500 Client\AP\” directory.
- It is possible that after clicking the <Remove Previous Error Submission> button and a security event message is shown that this message box will not get the proper focus and will be hidden behind another window. When this happens, if you click on the main form, you will see something like:



Should this happen, minimize any windows covering the center of the screen and click <Switch To ...> button and you should see the Security Event Override form.

Note that by default, no group has the Sage 500 ERP permission to do this, and at least one group must be granted access to the “Allow 1099 Submission Removal” permission.



- The Direct Sales entries (1099-MISC Box 7) fields are not calculated by Sage 500 ERP. Should you have vendors who are also customers and meet the criteria for checking these boxes, you will need to check these boxes within Aatrix where appropriate. Sage 500 ERP sends these boxes unchecked to Aatrix. Please review the IRS 1099-MISC and 1099-NEC instructions for further information.