

## **Tax Information FAQs for the Extended Arrearage Program**

- 1. Is the applying community water system, wastewater treatment provider, or wastewater billing entity required to provide its Taxpayer ID Number to the State Water Resources Control Board (State Water Board)?**

Yes, an eligible entity is required to provide its Taxpayer ID Number prior to funding being disbursed. This information is required by any entity that receives funding from the State of California.

- 2. How does an applying community water system, wastewater treatment provider, or wastewater billing entity report its Taxpayer ID Number to the State Water Board?**

The entity completes the specific Taxpayer ID Form associated with its entity type listed below to report its Taxpayer ID Number to the State Water Board. The entity's name and Taxpayer ID Number provided on the form must match the information on file with the Internal Revenue Service to be accepted. Completed forms should be emailed to [DFA-WaterArrearages@waterboards.ca.gov](mailto:DFA-WaterArrearages@waterboards.ca.gov).

- [Government Agency Taxpayer ID Form](#) - Applicant is a Government Agency Only. The Principal Government Agency Name field must match exactly with that of the applicant's name as registered with the federal IRS. The Remit-To Address must be the address where the arrearage disbursement check will be mailed to.
- [Non-Government Agency Taxpayer ID Form](#) - Applicant is a Non-Government Entity Only. The Name field on the Payee Data Record form must match exactly with that of the applicant's name as registered with the federal IRS. The mailing address must be the address where the arrearage disbursement check will be mailed to.

- 3. If an eligible community water system, wastewater treatment provider, or wastewater billing entity receives funding, will the entity be receiving a 1099 from the State Water Board?**

The State Controller's Office will issue a 1099-G to each entity that receives funding depending on its reportable status. Entities should consult a tax professional for questions about their tax liability.

**4. If an eligible community water system, wastewater treatment provider, or wastewater billing entity receives funding, is the entity required to send out 1099s to its customers receiving a bill credit?**

The Internal Revenue Service posted fact sheets for “Frequently asked questions for states and local governments on taxability and reporting of payments from Coronavirus State and Local Fiscal Recovery Funds.” The fact sheets provide general information to taxpayers and tax professionals related to the Coronavirus State and Local Fiscal Recovery Funds established under the American Rescue Plan Act. The fact sheets can be found at this web location:

<https://www.irs.gov/newsroom/frequently-asked-questions-for-states-and-local-governments-on-taxability-and-reporting-of-payments-from-coronavirus-state-and-local-fiscal-recovery-funds>

Entities should consult a tax professional for questions about tax reporting requirements.