

1099 Preparation and Filing

The 1099-NEC is used to report payments to independent contractors, gig workers or self-employed individuals. Rent and Interest are reported on Forms 1099-MISC and 1099-INT.

- ➡ Prior to paying any recipient, you should ask for completed IRS Form W-9. Keep this for your records.
- ➡ Please fill in our 1099 Preparation Form on our website.
- ➡ Once you have filled the form in completely, feel free to send via secure document exchange, fax or drop off at our office. If you have a mixture of 1099-NEC, 1099-MISC and 1099-INT forms to be prepared, please complete separate 1099 Preparation Forms by type.

Important Notes

- All forms 1099 must be provided to payees by January 31, 2024.
- Forms should be prepared for anyone you pay for rent, outside services, labor, interest, and commissions (over \$600.00 total). All legal fees need to be reported regardless of amount.
- Corporations are not issued 1099s (except attorneys and medical).
- Do not include any payments to vendors that you make with credit card, debit card, gift card or third-party processor, such as PayPal or Venmo. These will be reported by the payment settlement entity.
- Many Sole Proprietors and Single Member LLCs use a Social Security Number, we must have the full name of the recipient and the DBA, if they have one.

If you would like us to prepare forms 1099 for you, we must receive your completed 1099 Preparation Form by January 15, 2024. In many cases your payroll provider can also prepare your 1099's. Late filing may result in penalties.

Our 1099 preparation fee is \$60 per 1099 type (1099 NEC, 1099 MISC, 1099 INT) plus \$6 for each additional 1099 recipient

Important Tax Ramifications to Keep in Mind

As in prior years, the IRS is enforcing and assessing penalties for late and incorrect filing. The IRS can issue a severe penalty which may include a disallowance of the deduction.