

## REFERENCE TABLES 1099-MISC & 1099-NEC

<b>Deadlines to . . .</b>	<b>furnish to recipients</b>	<b>file with IRS</b>	<b>file method:</b>
<b>1/31</b> (Mon 2/1/21)	1099-NEC 1099-MISC  1099-DIV 1099-INT 1099-OID	1099-NEC	paper/electronic
<b>2/28</b> (Mon 3/1/21)		1099-MISC  1099-DIV 1099-INT 1099-OID	paper
<b>3/31</b>		1099-MISC 1099-INT	<b>electronic</b>

<b>Extensions of time to ...</b>	<b>furnish to recipients</b>	<b>file with IRS</b>
1099-NEC	No automatic extension  Mail letter giving reason to IRS Extension of Time Coordinator	NO automatic extension  Must have reasonable cause, declare under penalties of perjury  Must submit 8809 on paper
1099s other than NEC		Automatic 30-day ext Form 8809

<b>Reporting requirements (in general)</b>	
<b>Reportable threshold</b>	Only payments for services made in course of a trade or business are reportable.  <i>This means individuals who, for example, pay for home maintenance or improvements, do not file 1099s for contractors who did the work. However, a business that pays for such work on business property would issue a 1099.</i>
<b>Payment methods</b>	Payments made by payment cards (e.g., debit/credit/pre-paid) are not reported by payor.  Such payments are instead reported by the card processing cos. on 1099-K.  <i>However, use of a convenience check associated with a card account is NOT a card payment &amp; will not be reported on 1099-K</i>
<b>Payee types</b>	Payments to tax-exempt organizations are exempt, including: <ul style="list-style-type: none"> <li>• tax-exempt trusts (IRAs, HSAs, Archer MSAs, Coverdell ESAs, &amp; ABLE (529A))</li> <li>• the United States</li> <li>• a U.S. state, the District of Columbia, a U.S. possession</li> <li>• a foreign government</li> </ul>

Reporting requirements (continued)	
	In most but not all cases, payments made to corporations, or LLCs taxed as S-corporations, are exempt from receiving 1099s.
<b>Reportable payments</b>	See the tables that follow for a non-exhaustive list
<b>Prorated payments</b>	Prorate payments if necessary. Example: If paid for use of a machine and person to operate it, report machine rental in box 1, and operator's charge on 1099-NEC

1099-NEC NON-EMPLOYEE COMPENSATION			
Payments of at least	To whom / for	Comments	Box
\$600	Non-employee for services performed	Includes: <ul style="list-style-type: none"> <li>Attorney's fees for services to your business, regardless of payee's corporate structure</li> <li>Other professional services, e.g., accountants, architects, contractors, engineers (unless taxed as a corp)</li> <li>Compensation to any individual, including board members</li> </ul>	1
Any amount*	Attorney fee-splitting & referral fees	*If original check to atty was reportable (ie > \$600 + paid in the course of business), then any payments from it, by that atty to other attys, get reported, regardless of amount  Report regardless of corporate structure	1
\$600	Non-atty fee-split & referral fees		1
\$600	Witnesses/experts in litigation	Paid by attorneys/law firms	1
\$600	FMV of services performed in exchange for services obtained in the course of business	Example: Atty reps a painter in a divorce, in exchange for painting atty's office. Atty issues 1099-NEC to painter for FMV of legal svcs, bcse legal service was payment for a bsn expense. Painter does <u>not</u> issue 1099-NEC to atty, bcse painting was payment for services unrelated to painter's bsn.	1
Any amount	Nonemployee compensation from whom you applied backup withholding of FIT	Report 2 amounts on 1099-NEC: <ul style="list-style-type: none"> <li>Payment to payee in box 1</li> <li>Fed Income Tax withheld in box 4</li> </ul>	4

1099-MISC			
Payments of at least	Type	Comments	Box
\$600	All types of rents, including: <ul style="list-style-type: none"> <li>real estate</li> <li>equipment</li> <li>pasture</li> </ul>	For payments from lessee to RE agent or property mgr, lessee does not report. Instead, the agent/mgr reports its payments to lessor.	1

\$600	Prizes, awards	<ul style="list-style-type: none"> <li>▪ <i>If paid to your workers, report on W-2 or 1099-NEC instead</i></li> <li>▪ <i>Some payments to recognize past accomplishments exempt</i></li> </ul>	3
\$600	Other income payments	<p>Includes:</p> <ul style="list-style-type: none"> <li>• <i>Wages paid after year of employee's death</i></li> </ul>	3
Any amount	<p>Federal income tax withheld from any payments reportable on 1099-MISC</p> <ul style="list-style-type: none"> <li>• Backup withholding</li> <li>• Indian gaming</li> </ul>	<p>Report 2 amounts on 1099-MISC:</p> <ul style="list-style-type: none"> <li>▪ Gross payment to payee in appropriate box</li> <li>▪ Withholding in box 4</li> </ul>	4
\$600	Health care providers, other than pharmacies, for services	<ul style="list-style-type: none"> <li>▪ Report amounts paid for services only, not goods</li> <li>▪ Report regardless of corporate structure</li> </ul> <p>Examples of reportable items**:</p> <ul style="list-style-type: none"> <li>• Hospital or nursing home care</li> <li>• Physician</li> <li>• Dentist, Optician/Optomtrist, Therapist</li> <li>• Lab services, imaging services</li> </ul> <p><b>**No reports required for payments to</b></p> <ul style="list-style-type: none"> <li>▪ <i>Tax exempt payees</i></li> <li>▪ <i>Those owned &amp; operated by American gov't entities</i></li> </ul>	6