

Penalties for Late Filing/Non-Filing 1099

<https://www.irs.gov/government-entities/federal-state-local-governments/increase-in-information-return-penalties>

Failure to File 2023 Information with IRS or with Payee (Rev Proc 2016-55):

Section 6721 imposes a penalty on taxpayers that fail to file correct information returns (e.g. Forms 1099) with the IRS. Section 6722 provides an additional penalty in the same amount on taxpayers that fail to provide the payee with a correct copy of the information return filed with IRS. Effective for returns required to be filed with the IRS and furnished to payees after 2015, the Trade Preferences Extension Act of 2015, the Trade Preferences Extensions Act of 2015 amended the penalties under §6721 and §6722 and indexed the penalties for inflation.

Below are the penalties for failing to file 2023 information returns as indexed for inflation:

Important to know: Penalties for Late Filing/Non-Filing for Small Business with Gross Receipts \$5 Million or Less

Filed within 30 days	\$50 each (up to \$194,500)
Filed by August 1	\$110 each (up to \$556,500)
Filed after August 1 or not filed	\$290 each (up to \$1,113,000)
Intentional disregard	\$580 each (no limitation)

If the proper information return is not filed with the IRS and is not furnished to the payee, the penalties in the tables below are doubled. For example, if a business fails to file a 2023 Form 1099 or furnish a copy to the payee on time, but the Form 1099 is filed and a copy is furnished to the payee within 30 days of the due date, the penalty under §6721 would be \$50 and the penalty under §6722 would be \$50 for a total penalty of \$100.