

1099 REPORTING REQUIREMENTS

Form 1099-NEC (Nonemployee Compensation) - Due January 31, 2025

File Form 1099-NEC for each person in the course of your business to whom you have paid the following during the year.

At least \$600 in:

1. Services performed by someone who is not your employee (including parts and materials) (box 1); or
2. Payments to an attorney (box 1) (not settlement fees) – even if a Corporation

“Person” is any non-corporation and includes individuals, LLCs (not taxed as corporations), partnerships, trust, and non-profits). The exception is for legal fees which get reported even if paid to a corporation.

1099-MISC (from IRS.gov)

File Form 1099-MISC, Miscellaneous Income, for each person in the course of your business to whom you have paid the following during the year:

1. At least \$10 in royalties (see the instructions for box 2) or broker payments in lieu of dividends or tax-exempt interest (see the instructions for box 8).
2. At least \$600 in:
 - Rents (box 1)
 - Prizes and awards (box 3)
 - Other income payments (box 3)
 - Generally, the cash paid from a notional principal contract to an individual, partnership, or estate (box 3)
 - Any fishing boat proceeds (box 5)
 - Medical and health care payments (box 6) – even if a Corporation
 - Crop insurance proceeds (box 9)
 - Gross Proceeds to an attorney (box 10) (see *Payments to attorneys*, later) – even if a Corporation
 - Section 409A deferrals (box 12); or
 - Nonqualified deferred compensation (box 15)

Also, use this form to report that you made direct sales of at least \$5,000 of consumer products to a buyer for resale anywhere other than a permanent retail establishment. You must also file Form 1099-MISC for each person from whom you have withheld any federal income tax (report in box 4) under the backup withholding rules regardless of the amount of the payment.

EXCEPTIONS FOR 1099-NEC and 1099-MISC:

- Payments for merchandise, telegrams, telephone, freight, storage, and similar items.
- Payments to a corporation (C-corporation or S-corporation) unless for legal or medical services.
- Payments made with a COMPANY credit card.

Only payments you make by cash or check are reported on Form 1099-MISC/1099-NEC. Payments made with a credit card are reported on Form 1099-K by credit and debit card companies and third-party networks such as PayPal.

For instructions and more details:

<https://www.irs.gov/pub/irs-pdf/i1099mec.pdf>

Urke & Stoller, LLP

CERTIFIED PUBLIC ACCOUNTANTS

11811 N. Tatum Boulevard • Suite 1060 • Phoenix, AZ 85028 • 602 867-5058 • FAX 602 867-6011

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1099-INT and 1099-DIV

File this form for each person/company to whom you have paid during the year:

- Interest payments of at least \$10 made in the course of your trade or business. (Excluding interest on an obligation issued by an individual)
- Dividend payments (including capital gain dividends) and other distributions on stock of \$10 or more.
- Payments of \$600 or more as part of a liquidation.

Other 1099 series forms

Contact our office if you have questions as to whether or not you may need to file the following 1099 series forms or other informational forms:

- 1099-A Acquisition or Abandonment of Secured Property
- 1099-B Proceeds from Broker and Barter Exchange Transactions
- 1099-C Cancellation of Debt
- 1099-R Distributions from Pensions, Annuities, Retirement Plans, IRAs or Insurance Contracts
- 1042-S Foreign Person's U.S. Source Income
- 1095-B Health Coverage (If you provide/reimburse Health Insurance to individual outside of the Company sponsored plan)
- 1095-C Employer-Provided Health Insurance Offer and Coverage – for APPLICABLE LARGE EMPLOYER Members