

1099 and Property Tax Year-End Letter

December 6, 2023

Dear Client:

This letter outlines updates for the coming new year regarding Forms 1099 and Business Property Tax Statements. Please review the following updates and reminders for 2024.

Information regarding Forms 1099

The due date for filing 1099s is January 31. Any service recipient who, in the course of his or her trade or business (including those activities deemed non-profit), will be making payments totaling \$600 or more to any person for services rendered (other than a corporation) in a calendar year must file an information return on Form 1099.

New for 2023: If you have 10 or more 1099 forms, you must file the IRS forms electronically!

Use Form **1099-NEC** to report payments of at least \$600 for:

- Services (including parts and materials) to payees who are not employees
- Fish purchased from anyone engaged in the trade or business of catching fish
- Attorney's fees for legal services

Use Form **1099-MISC** to report payments of at least \$600 in:

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|---------------------------|------------------------------------|--------------------------------------|
| • Rents | • Prizes and awards | • Other income payments |
| • Fishing boat proceeds | • Section 409A deferrals | • Crop insurance proceeds |
| • Payments to an attorney | • Medical and health care payments | • Nonqualified deferred compensation |

The above lists do not display all 1099 reportable payments; if you have questions, please contact our office. Do not report payments to employees such as Christmas bonuses, or reimbursements for travel or car expenses on Form 1099; report these on Form W-2. File Form DE-542 for independent contractors within 20 days of either making payments or entering into a contract totaling \$600 or more, whichever is earlier.

Business Property Annual Reporting (Form 571-L)

Business Property Tax Statements will be e-filed in April. Please review your latest depreciation schedule and note any additions, disposals, or corrections and provide us with a list of any equipment purchases/sales through December 31, 2023, by date purchased/disposed, description and amount.

If you need a copy of your latest depreciation schedule, we are happy to provide one to you upon request. Please notify us of any changes and send us the business property tax return form (571-L) received from the County by April 1, 2024. The form provides us with the Business Identification Number (BIN) needed to e-file your business property tax returns. (NOTE: if we do not receive your 2024 Form 571-L by April 30, 2024, we will request a copy from the County. The fee the County charges us for your form will be passed on to you.)

Please contact our office if you have any questions about the information in this letter.

Sincerely,

Hunter, Hunter & Hunt, LLP