

1099 and 1098 Form Services & Information

Informational Forms Are Due to Their Recipients by January 31, 2020

Forward your completed submissions forms by fax (609) 981-7258 or email directly to Melodie: frontdesk@skalkacpa.com

****Please note: ALL requests must be submitted on the form provided. There is an interactive version available for download at www.skalkacpa.com.**

In the interest of accuracy - we will not accept handwritten forms.

***Please review your input prior to submitting.**

*Forms should be submitted **no later than January 17, 2020**
to allow for sufficient time to process your request by the deadline.*

Information Needed From You: We will be happy to prepare 1099's on your behalf. Below is the list of information that we will need for each recipient:

1. Name and address of recipient.
2. EIN or SSN of recipient
 - Make sure your vendors are giving you the correct Identification Number. Taxpayer Identification Numbers are not interchangeable with different names.
 - A SSN must be used with an individual name including Single Member LLC's. A sole proprietor or single member LLC must provide you with his/her individual name, but may also provide his/her business name to include on the Form.
 - A business EIN must be used for a partnership, corporation, or Multi Member Limited Liability Company (LLC).
3. Amount paid to that recipient in 2019.
4. If your subcontract labor or services to be performed in locations other than where your main office is located, you will also need to provide a breakdown of payments by work location to comply with state reporting requirements.

SERVICE DETAILS: 1099, 1098 and 1096 Forms are electronically filed to the IRS by our office. **Our service includes all filing, postage and handling to the IRS, State and your recipients.** Once you forward your information to us, we will handle everything else and email you a copy for your records. **Our charge is \$150 for the first ten (1-10) then \$15 for each additional (11+).** **Please note there will be an additional charge for corrected forms.**



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What You Should Know About Your Responsibility for Filing 1099, 1098 and 1096 Forms with the IRS

All businesses, and some individuals, are required to issue 1099s for payments made in the course of business or trade to businesses that meet the criteria set by the IRS. There are many reasons that 1099s are issued. Below are the most common reasons and types of 1099s that are issued by our clients. This is not meant to be an all inclusive list. If you have specific questions regarding your requirements to issue 1099 forms to your service providers or that are common to your business or industry, please call our office. All qualifying payments for business services to an individual or eligible company by your business, including rental property owners, regardless of payment method, are to be reported to the IRS using Form 1099-Misc.

<u>Type</u>	<u>What to Report</u>	<u>Amounts to Report</u>
1099-Miscellaneous	<ul style="list-style-type: none">• Rent or royalty payments your business paid to others, prizes and awards for services, such as winnings on a TV or radio show.• Payments for services performed for a trade or business by people not treated as its employees. Examples: subcontracted labor, directors.• Payments paid to an attorney for services provided to your business.	<p>\$600 or more (<i>required if recipient is not Incorporated</i>)</p> <p>\$600 or more (<i>required if recipient is not Incorporated</i>)</p> <p>All amounts</p>
1099-Interest	<ul style="list-style-type: none">• Interest income you paid on loans.	\$10 or more
1098	<ul style="list-style-type: none">• Mortgage Interest you received in the course of your trade or business from individuals and reimbursements of overpaid interest	\$600 or more

NOTE Regarding LLC's: Limited Liability Companies are not Corporations, but may elect to be classified as a corporation with IRS. Entity classification with the IRS is declared to you on the W-9 Form by the vendor. You should not assume that an LLC is a corporation. **If you are not sure whether an LLC has elected to be treated as a corporation with the IRS, you should issue a 1099.**

YOUR DUE DILIGENCE: The IRS has increased penalties for late filing and non-compliance and they are assessed on a per payee basis. Late and/or inaccurate filing penalties range from \$30-\$100 per payee and the intentional disregard for your filing requirements is \$250 per payee. **It is highly suggested that you have a policy in place that requires a W-9 to be submitted by your vendors before first payment is released, and that you also verify the information submitted through the IRS E Services.** Having this policy in place will help to establish your due diligence with the IRS should there be a compliance inquiry.

ALERT: the IRS requires you to immediately begin backup withholding of 24% on all vendor payments where the vendor has NOT provided you with the information necessary to file a W9 or the information they provided is NOT correct.

If you have questions regarding your responsibilities as it relates to backup withholding, please call our office for a consultation.