

FILING 1099'S MADE EASY

Businesses are required to file Form 1099-MISC for all payments made to partnerships or sole proprietors for services that are more than \$600. Compliance in filing 1099's is increasingly important as you certify when you sign the tax returns whether or not you have filed 1099's, and the IRS is increasing their enforcement of this long-time requirement.

1099-MISC's are due to recipients by **January 31, 2014** and due to the IRS by **February 28, 2014** (if filing electronically, date due to IRS is April 1, 2014).

HOW DO I KNOW IF I NEED TO FILE 1099-MISC'S?

- Did you make payments for *rents or services* to any individual, partnership or LLC during 2013?
- Did the payments total more than \$600?

If you answered yes to both, then you need to file from 1099's. Below are a few examples. For more information see the [IRS instructions](#).

SEND

Accountants
Lawyers
Rent
Contractors
Harvest Help (if no W-2)
Mobile Bottlers
Landscapers

DON'T SEND

Suppliers
Corks
Grapes
Payment for any Goods
Corporations (generally, companies with "Inc." in name)
Banks
Payments made via Credit or Debit Card

HOW DO I FILE 1099-MISC'S?

There are several options available, including:

- Free paper forms can be ordered from the [IRS](#)
- Pay a flat fee to file electronically an unlimited number of returns using a service like [Intuit](#)
- Use an electronic filing service like [Track1099.com](#) or [Tax1099.com](#)

WHAT DO I DO NOW?

- Send W-9 requests for taxpayer identification number (TIN) to vendors who might need a 1099 (can be found [online](#))
- Order forms if filing by paper

We have compiled a list of things that may make filing and administration easier:

- Always send a W-9 request for TIN with the first payment you make to a new vendor

- Track vendors that might need 1099's issued to them in a spreadsheet or binder
- Begin preparing now and plan to file ahead of the deadline

ARE THERE PENALTIES?

There can be penalties of between \$30 - \$100 per 1099-MISC that was not filed, or incorrectly filed. If the IRS can show an intentional disregard for filing, the penalty can be more than \$250 per unfiled return.

The IRS has been stepping up enforcement in this area. This makes it even more important to file information returns timely and correctly.