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Tax Bulletin

From **Contryman Associates, P.C.**

Certified Public Accountants

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Forms 1099... Do I have to send them?

Forms 1099 are annual information returns required to be filed with the IRS for certain payments made in the course of a trade or business throughout the calendar year. If you made payments for services during the calendar year that totaled \$600 or more to an individual or an entity, other than a corporation, then you may have a 1099 reporting requirement. Payments for services could include, but are not limited to, rent, contract labor, machine hire, commissions, repairs and maintenance, or legal fees. The IRS reporting deadlines are February 29, 2016 and March 31, 2016 for paper returns and electronic returns, respectively. However, recipient copies are to be issued by February 1, 2016.

The penalty for failure to file correct information returns due to an intentional disregard of the filing requirements is at least \$500 per information return. Late and/or inaccurate filing penalties are also in place and vary depending upon the date the correct information return is filed: \$50 per 1099 if filed within 30 days of the due date; \$100 per 1099 if filed more than 30 days after the due date but by August 1; and \$250 per 1099 if filed after August 1. All applicable penalties relating to noncompliance with information return reporting have increased substantially over prior years.

Don't wait! Contact a Contryman Associates team member today to see if you may have a 1099 reporting requirement. Should a filing requirement be necessary, we can assist you with the best processes for collecting all necessary information for compliance.

Thank you for the opportunity to serve you!



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