

# FORM 1099-MISC REMINDERS FOR STATE & LOCAL GOVERNMENTS

## WHO MUST FILE

Government Agencies and Non-Profit Organizations are Subject to the Rules for Filing Form 1099

SECURING VENDOR INFORMATION

## WHAT INFORMATION IS NEEDED?

Owner's Name - For Individuals, Sole Proprietors and some Single-Member LLCs  
 Legal Business Name  
 Mailing Address  
 Taxpayer Identification Number - TIN

## WHEN TO GET INFORMATION

Obtain Vendor Information Up Front - Don't Wait Until Year-end. Forms 1099 are Required to be Issued Once Payments Total \$600 or More.

## WHY GET THE INFORMATION?

If your Vendor Fails to Supply an Identification Number, you MUST withhold 28% of any Reportable Payments and Pay it to the IRS on Form 945. This is called **BACKUP WITHHOLDING**. If you do Not Backup Withhold, you may be Liable for this Tax.

## HOW TO GET THE INFORMATION

Form W-9 or Substitute

## DUE DATES FOR FORMS 1099

To RECIPIENTS by January 31  
 To IRS with Form 1096 by February 28 (paper)  
 February 28 with Form 4804 (Magnetic Media)  
 March 31 (if Filing Electronically)

## DO ISSUE

Payments of \$600 or More For:  
 Services - Form 1099-MISC  
 Rents - Form 1099-MISC  
 Retirement - Form 1099-R  
 Royalties - Form 1099-MISC or 1099-S

Payments of \$10 or More For:  
 Interest - Form 1099-INT

Payments of \$600 or More To:

Individuals  
 Sole Proprietors  
 Partnerships  
 Estates and Trusts

## DON'T ISSUE

Payments of \$600 or More For:  
 Products  
 Worker's Compensation  
 Telephone  
 Freight

Payment of \$600 or More To:  
 Governmental Agencies  
 Rental Agencies  
**Corporations**  
 Except MEDICAL & ATTORNEYS

**CAUTION: Do NOT Automatically Treat a Payee as a Corporation Simply Because the Payee's Name Ends with "Company" or "Co."**

## EXAMPLES OF REPORTABLE PAYMENTS

### NON-EMPLOYEE COMPENSATION

Form 1099-MISC - Box 7

Services - May Include Parts & Materials  
 Advertising  
 Auto Repair  
 Construction  
 Custodial/Maintenance  
 Landscapers, Locksmiths  
 Photographers, Printing Services  
 Accountants  
 Appraisers  
 Architects

Attorneys\* - who are NOT Your Employees  
 (Includes Corporations)\*

Consultants  
 Engineers  
 Referees  
 Rubbish Removal  
 Working Interest - Oil & Gas Payments

### MEDICAL & HEALTH CARE SERVICES

Form 1099-MISC - Box 6 - Incl. Corporations

Ambulance Services  
 Dentists  
 Doctors  
 For-Profit Hospitals  
 Lab Services  
 Optometrists  
 Private Duty Nurses  
 Psychiatrists, Psychologists  
 Rehabilitation Centers  
 Therapists

### RENTS

Form 1099-MISC - Box 1

Office Space  
 Parking Lot Space  
 Welfare Rental Assistance (to Landlords)  
 Equipment  
 Surface Royalties

\* If Compensation, then Enter Income in Box 7. If not able to Determine Percentage of Compensation From Gross Proceeds Paid to An Attorney, Then Total Box 14