



1099 Preparation:

For your business, I need:

1. Your Name
2. Business Name
3. Business EIN or Owner's SSN***
4. Business Address

*** If your business does not already have an EIN, I STRONGLY suggest you apply for one. It's a quick process that can be accomplished online. Otherwise, your SSN will appear on each contractor's 1099, and that is not ideal.

[CLICK HERE to file for Business EIN](#)

(FYI: Most small business owners will select the option "Sole Proprietor")

For EACH Contractor, I need:

1. Contractor's Name
2. Contractor's Business Name (only if applicable)
3. Contractor's SSN or Business EIN
4. Contractor's address
5. How much did you pay the contractor during the tax year?

What Lancaster CPA will do:

- Prepare Form 1099-MISC for each contractor listed.
- File Form-96 with the State (AL) by due date January 31st.
- File Form-1096 with the Federal by due date January 31st.

Form 1099-Misc	\$15 each	One per contractor paid \$600+
Form 1096	\$15	Filed on your behalf with the IRS
Form 96	\$15	Filed on your behalf with the State

So, if you paid three contractors \$600+ each, I will prepare all the necessary forms for a total charge of \$75.

FORM 1099-MISC

Filing Deadline: January 31st

☐ CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.
Words and Works, LLC
PO Box 4675
Testing, TX 12345

1 Rents
\$
2 Royalties
\$
3 Other income
\$
4 Federal income tax withheld
\$
5 Fishing boat proceeds
\$
6 Medical and health care payments
\$
7 Nonemployee compensation
\$ 1,245
8 Substitute payments in lieu of dividends or interest
\$
9 Player made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale ☐
\$
10 Crop insurance proceeds
\$
11
\$
12
\$
13 Excess golden parachute
\$
14 Gross proceeds paid to an

OMB No. 1545-0115
20
Form 1099-MISC
Miscellaneous Income
Copy B For Recipient

RECIPIENT'S name
Carrie Smith
Street address (including apt. no.)
PO Box 8076
City or town, state or province, country, and ZIP or foreign postal code
Dallas, TX 76012

PAYER'S federal identification number
61-12345678

RECIPIENT'S identification number
123-45-6789

Account number (see instructions)
FATCA filing

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it

Our WARNING to SBOs about 1099s

The IRS requires that business owners file a Form 1099 by January 31st for any individual, LLC, or unincorporated business entity that you paid over \$600 in the tax year for business services.

Failure to file the form could result in [a penalty as much as \\$1,000 per each omitted, late, or incorrect 1099-Misc.](#) The 1099-Misc must be provided to the taxpayer by January 31.

Also, copies of 1099s and summary returns are due to the IRS (Form 1096) and the State (Form-96) by January 31st.

Whether your business files as a sole proprietor, partnership, or corporation – the tax return has a *BOX that must be checked to confirm that your business has filed all applicable Form 1099s*. In other words, you are certifying (in writing) that you have filed every 1099 accurately and timely.

The problem you may encounter is those sub-contractors that don't want you to issue them a 1099. Make sure you get them to fill out a [W-9 form](#) **before** you issue them a payment.