

HOW TO File Forms 1099, DIY

by Lancaster CPA & Associates LLC

If you choose to file Forms 1099 yourself, please be aware that it involves **multiple filings with different agencies**, not just issuing a form to the contractor. Missing any step can result in penalties.

1 Determine who actually needs a 1099

Before filing anything, confirm the vendor is reportable.

You generally **must issue a 1099** if:

- Payments total **\$600 or more**
- The payee is an **individual, sole proprietor, or partnership**
- Payment was for **services, rent, legal fees, or commissions**
- Payment was **not** made by credit card or third-party processor (PayPal, Venmo, Square, etc.)

Do NOT issue 1099s to:

- Corporations (with limited exceptions like attorneys)
- Vendors paid entirely by credit card or payment apps (those are reported on Form 1099-K)

 **IRS resource:** [*Instructions for Forms 1099-MISC and 1099-NEC*](#) — Internal Revenue Service

2 Collect and verify Form W-9

You should already have:

- Legal name, Entity Type, EIN or SSN, Address

 Do **not** guess SSNs/EINs. If the W-9 is missing or incorrect, filing is risky.

3 Choose the correct 1099 form

This is where many DIY filings go wrong.

Payment Type **Correct Form**

Independent contractors **1099-NEC**

Rent **1099-MISC (Box 1)**

Legal fees (attorneys) **1099-NEC or MISC (depends on type)**

Other income **1099-MISC**

 IRS guidance: [*General Instructions for Certain Information Returns*](#) - IRS

4 File with the IRS (not just the contractor)

You must do **both**:

- Provide **Copy B** to the contractor
- File **Copy A** with the IRS

IRS filing options:

- **IRS FIRE System** (electronic, recommended)

- Paper filing **with Form 1096** (summary transmittal)

⚠ Common mistake:

Clients send 1099s to contractors but **never file Form 1096 or electronic equivalents with the IRS.**

■ IRS systems: *FIRE (Filing Information Returns Electronically)*

5 File with the State

Most states require:

- Separate filing of 1099 data
- **A state transmittal form** (often similar to Form 1096)
- Or electronic filing through the state revenue department

⚠ The IRS does not forward your 1099s to the state.

■ State resource: *State Department of Revenue → “Information Returns / 1099 Filing”*

6 Meet all deadlines

Typical deadlines (can vary):

Filing	Deadline
Provide 1099 to contractor	January 31
File 1099-NEC with IRS	January 31
File 1099-MISC with IRS	February 28 (paper) / March 31 (electronic)
State filings	Varies by state

Late filing penalties apply **per form**, not per business.

7 Keep proof of filing

You should retain:

- IRS electronic confirmation or certified mail receipts
- State filing confirmations
- Copies of all issued forms

Recommended DIY Tools (If You Proceed)

If you use software, confirm it explicitly:

- Files with **IRS AND state**
- Provides **filing confirmation**
- Supports **1099-NEC and 1099-MISC**
- Handles **Form 1096 or electronic equivalents**

(Not all “cheap” tools do.)

Important Note

If you handle 1099s yourself, your accounting firm:

- Cannot verify accuracy after the fact
- Cannot prevent penalties for missed filings