

1099 Preparation and Filing

The 1099-NEC is used to report payments to independent contractors, gig workers or self-employed individuals. Rent and Interest are reported on Forms 1099-MISC and 1099-INT.

- ▶ Prior to paying any recipient, you should ask for a filled in IRS Form W-9. Keep this for your records.
- ▶ Please fill in our 1099 Preparation Form on our website.
- ▶ Once you have filled the form in completely, feel free to e-mail, upload to your Liscio portal, or drop off at our office.

- All forms 1099 must be provided to payees by January 31, 2023.
- If you have a mixture of 1099-NEC, 1099-MISC and 1099-INT forms to be prepared, it would be helpful to have them on separate forms or listed together.
- They should be prepared for anyone you pay for rent, outside services, labor, interest, and commissions (over \$600.00 total). All legal fees need to be reported regardless of amount.
- Corporations are not issued 1099s (except attorneys and medical).
- **Do not include any payments to vendors that you make with credit card, debit card, gift card or third-party processor, such as PayPal or Venmo.** These will be reported by the payment settlement entity.
- Many Sole Proprietors and Single Member LLCs use a Social Security Number, we must have the full name of the recipient and the DBA, if they have one.

If you would like us to prepare them for you, to guarantee that your 1099 forms are prepared on time, we must receive your completed 1099 Preparation Form by January 13, 2023.

In many cases your payroll provider can also prepare your 1099's.

Late filing may result in penalties.

Potential and current clients, please reach out via email (accounting@themattoxgroup.com) or phone (831.747.1381) to determine preparation fees.

Important Tax Ramifications to Keep in Mind

As in prior years, the IRS is enforcing and assessing penalties for late and incorrect filing. The IRS can issue a severe penalty which may include a disallowance of the deduction.