



Important Announcement Regarding 1099 Filing Requirements, Due Dates & Penalties

- ❖ 2019 1099's are due to recipients, IRS and Kansas on January 31, 2020.
- ❖ Failure to file form 1099 with the IRS by Jan 31st is a \$550 penalty **PER 1099**.
- ❖ Failure to provide a 1099 to a payee by Jan 31st is an additional \$550 penalty PER payee with no maximum.
- Note - not filing one 1099 can result in \$1,100 of penalties!**
- ❖ If you have a farm, business or rental property – you are required to send Form 1099 to any non-incorporated business, such as an LLC, partnership, sole proprietorship, or individual that you paid more than \$600 for services pertaining to your business, rental property and/or farm. (See the attachment for more detail regarding 1099 requirements.)
- ❖ To electronically submit 1099's before the due date, we need your information on or before January 22, 2020. ***If information is submitted later than January 22nd, an additional minimum surcharge of \$10 per 1099 will be incurred.***
- ❖ Penalties for late filings with the IRS and payee vary based on when the correct information is submitted. The range is \$50 - \$270 per 1099.
- ❖ It is wise to have a completed W-9 for all individuals or vendors to whom you are required to send a 1099. ***Obtain a W-9 from the business/individual before the work is completed and require the form be completed before you pay them.***
- ❖ For your convenience, the link to print a W-9 is <http://www.irs.gov/pub/irs-pdf/fw9.pdf>

Compliments of:

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1099 Filing Requirements

1099's are required for:

- * All payments totaling \$600 or more for:
 - * Rents – buildings, offices, machine rental, pasture rentals, farm cash rent
 - * Prizes and awards
 - * Contract labor (services performed by someone who is not your employee)
 - * Commissions
 - * Director fees
 - * Other non-employee compensation
 - * Professional fees
 - * Payments to an attorney

- * All payments totaling \$10 or more for:
 - * Dividends
 - * Interest
 - * Royalties

Penalties for Failure to Provide a 1099-MISC to the IRS/Payee by January 31, 2020:

- * The penalty for failure to file correct 1099's to the IRS by the due date is based on when you file the correct information return:
 - * \$50 per 1099 if you correctly file within 30 days after the due date
 - * \$110 per 1099 if you correctly file more than 30 days after the due date
 - * \$270 per 1099 if you file after August 1st
 - * \$550 per 1099 for intentional disregard of the filing

- * The penalty for failure to furnish correct 1099's to payees by January 31st without reasonable cause is based on when you furnish the correct payee 1099's:
 - * \$50 per 1099 if you correctly file within 30 days after the due date
 - * \$110 per 1099 if you correctly file more than 30 days after the due date
 - * \$270 per 1099 if you file after August 1st
 - * \$550 per 1099 for intentional disregard of the filing