

Dear Client,

We would like to remind you of your responsibility in filing year-end informational returns. In the course of your trade or business, if you paid \$600 or more to individuals or subcontractors for services, rent, professional fees, interest, etc. you are required to:

- Issue them a Form 1099 by January 31st
- Submit copies of the 1099's to the IRS and the State of Wisconsin by January 31st.

The penalty for failure to file these forms can result in a fine up to \$550 for **each** 1099 not filed.

If a business is an LLC, you may still need to file a 1099 unless they are incorporated. (This does not apply to attorneys or veterinarians – they still need a 1099 even if incorporated.)

The IRS is closely watching the area of employees versus non-employees. If you are paying someone who is actually an employee and you give them a 1099-NEC as if they are self-employed, you may be liable for a misclassification penalty of up to \$25,000!

Form 1099-NEC is new for 2020 returns and is to be used for all payments for services to non-employees. (NEC = Non-Employee Compensation)

Payer Information

Company/Payer Name _____ Title _____ Phone _____
Address _____ City _____ State _____
Employer ID# _____ Employer SS# _____

1099 Recipient Information

Name _____ SS/FEIN# _____
Address _____ City _____ State _____ Zip _____
Description of payment: Rent \$ _____ Custom Hire(NEC) \$ _____ Vet \$ _____ INT \$ _____

Name _____ SS/FEIN# _____
Address _____ City _____ State _____ Zip _____
Description of payment: Rent \$ _____ Custom Hire(NEC) \$ _____ Vet \$ _____ INT \$ _____

Name _____ SS/FEIN# _____
Address _____ City _____ State _____ Zip _____
Description of payment: Rent \$ _____ Custom Hire(NEC) \$ _____ Vet \$ _____ INT \$ _____

Name _____ SS/FEIN# _____
Address _____ City _____ State _____ Zip _____
Description of payment: Rent \$ _____ Custom Hire(NEC) \$ _____ Vet \$ _____ INT \$ _____

Name _____ SS/FEIN# _____
Address _____ City _____ State _____ Zip _____
Description of payment: Rent \$ _____ Custom Hire(NEC) \$ _____ Vet \$ _____ INT \$ _____

Totals of 1099's \$ _____

If you need to add more names, please make copies of this form.