



Am I required to file a Form 1099-MISC or 1099-NEC?

Not Required to File Form 1099-MISC:

You are not required to file information return(s) such as the 1099-Misc if any of the following situations apply:

- You are not engaged in a trade or business.
- You are engaged in a trade or business and
 - the payment was made to an incorporated business, but was not for medical or legal services or
 - the sum of all payments made to the person/business is less than \$600 in one tax year

PLEASE NOTE – For the 2020 filing season, the IRS has revised Form 1099-MISC and released an entirely new form (Form 1099-NEC). Amounts historically reported in Box 7 on the Form 1099-MISC will now be reported on Form 1099-NEC.

If, as part of your trade or business, you made any of the following types of payments in the amount of \$600 or more (cumulative) as part of your trade or business, the amounts must be generally reported to the IRS and the business/individual paid:

- Services performed by independent contractors or others (not employees of your business).
- Prizes and awards and certain other payments.
- Rent.
- Royalties.
- Backup withholding or federal income tax withheld.
- Crewmembers of your fishing boat.
- To physicians, physicians' corporation or other supplier of health and medical services.
- For a purchase of fish from anyone engaged in the trade or business of catching fish.
- Substitute dividends or tax-exempt interest payments and you are a broker.
- Crop insurance proceeds.
- Gross proceeds of \$600 or more paid to an attorney.

Do **not** file Copy A of information returns downloaded from the IRS website. The official printed version of the IRS form is scannable, but the online version of it, printed from the website, is not. A penalty may be imposed for filing forms that cannot be scanned.



Adapted from the IRS' website, <https://www.irs.gov/businesses/small-businesses-self-employed/am-i-required-to-file-a-form-1099-or-other-information-return>

Links and Resources:

SBW & Associates, PC is well versed in the rules associated with these forms and would be happy to assist you in preparing and filing them. Please contact one of our offices if we can be of assistance.

Information available on the IRS' website:

- About Form 1099-MISC: <https://www.irs.gov/forms-pubs/about-form-1099-misc>
- Current Form 1099-MISC: <https://www.irs.gov/pub/irs-pdf/f1099misc.pdf>
- Current Form 1099-NEC: <https://www.irs.gov/pub/irs-pdf/f1099nec.pdf>
- Current Form 1099-MISC and 1099-NEC Instructions: <https://www.irs.gov/instructions/i1099misc>