

Meredith, Elkins & Feldman, PLLC

Certified Public Accountants

P.O. Box 1898
Morristown, TN 37816

Timothy J. Meredith, CPA, retired
Ramona J. Elkins, CPA
Robert Feldman, CPA

Member: American Institute of Certified Public Accountants
Tennessee Society of Certified Public Accountants
Tennessee Association of Accountants

The IRS requires you to report whether you were required to distribute any 1099s to any individuals or entities. Therefore, it is essential that if you were required to file any 1099s, you have done so, as we will be required to answer accordingly when preparing your income tax return.

As a reminder, Form 1099-MISC needs to be submitted to any individual or entity to whom you paid the following:

- At least \$10 in royalties.
- At least \$600 in rents, prizes, awards, other income payments, medical care payments, crop insurance proceeds, cash payments you purchased from anyone engaged in the trade or business of catching fish, or cash paid from a notional principal contract to and individual, partnership, or estate.
- Any fish boat proceeds.
- Gross payments of \$600 or more to an attorney (No exceptions apply).

NEW!!! Form 1099-NEC needs to be submitted to any individual or entity to whom you paid At least \$600 services (including parts and materials).

Form 1099-MISC and Form 1099-NEC are NOT required for the following:

- Payments to a corporation except law firms.
- Payments for merchandise, telegrams, telephone, freight, storage, or similar items.
- Payments of rent to real estate agents.
- Wages paid to employees.
- Military differential wage payments.
- Business travel allowances paid to employees.
- Cost of current life insurance protection.
- Payments to tax exempt organizations.
- Certain payment card transactions.

Please note, some of these exceptions need to be reported on forms other than 1099-MISC. Also, these are general guidelines and specific instances may alter the requirements.

The IRS imposes penalties ranging from \$60 per 1099 to \$310 per 1099 for late filing. ***The intentional disregard of the law penalty is the larger of \$630 or 10% of the reporting amount per 1099.*** Also, a penalty of 25% of the correct 1099 amount may be imposed for failure to maintain W-9's on file. ***We expect greater enforcement of this soon!!!!***

If you do need 1099s prepared, we will need name, address, EIN/SSN of the recipient along with the amount paid in enough time to prepare and return them to you before any deadlines.

Did you make any payments in 2023 that would require you to file a 1099?

Yes, I have or will file them. Yes, but I will not file them. No.

Client signature _____ Date: _____

We advise that you have a form W-9 filled out by any payee to whom you may be required to send a 1099 and keep it on file to prevent the inability to find the needed information at year end. You can download this form at <http://www.irs.gov/pub/irs-pdf/fw9.pdf>.