

Form 1099-NEC Checklist

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The following are items needed to prepare Forms 1099-NEC for non-employee compensation.

For Your Business:

- Your Name
- Business Name
- Business Address
- Business EIN or Owner's SSN

➤ If your business does not already have an EIN, we suggest to apply for one. It can be completed online at

<https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>. If you do not obtain an EIN, your SSN will appear on each Contractor's Form 1099.

For EACH Contractor:

- Contractor's Name
- Contractor's Business Name (if applicable)
- Contractor's SSN or Business EIN
- Contractor's Address
- Amount Paid to Contractor during the tax year

The IRS requires that business owners file a Form 1099 by January 31 for any individual, LLC, or unincorporated business entity that you paid over \$600 in the tax year for business services.

Failure to file the form could result in a *penalty as much as \$1,000 per each omitted, late, or incorrect 1099-NEC*. The 1099-NEC must be provided to the taxpayer by January 31.

In addition, copies of 1099s and summary returns are due to the IRS (Form 1096) and the State (Form 96) by January 31.

Regardless if your business files as a sole proprietor, partnership, or corporation - the tax return has a box that must be checked to confirm that your business has filed all applicable Forms 1099.

Be sure to have each Contractor complete a W-9 Form *before* issuing them payment.