



1099s

Understanding Your 1099 INCOME

I am a Contractor, Business Consultant, A Freelance Worker, Sole Proprietor, or I (you) work side jobs (also known as Side Gigs or Gig Work), and do not have a business.

This form is to help you as our client understand how and why 1099 income must be reported as a business.

The IRS considers consulting or contractor income as business income that needs to be entered on a Schedule C. If you have self-employment income from a 1099-NEC, 1099-MISC, Rental Income, or Royalty Income, which is the case with most Form 1099-NECs, you'll need to report the income on Schedule C self-employed small business tax reporting form. Certain Farming Income can be reported on Schedule C, but in most cases Farming Income will be reported on Schedule F.

In most cases the payer has not taken out federal taxes prior to paying you for your services, when this is the case, you will be required to Self-Employment Tax. Fifty percent (50%) of your self-employment tax is taken as a deduction and reported on additional form called Schedule 1. Self-Employment tax will be automatically deducted from any refund due or will be reflected as taxes owed on your tax return.

Any expenses you incurred while working as a consultant, contractor, etc. can be reported and claimed on your tax return per IRS rules and regulations regarding taxable deductions and expenses. Generally, you're allowed a deduction of up to 20% of your net qualified business income (QBI) plus 20% of

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qualified real estate investment trust (REIT) dividends. Your deduction may be limited if your taxable income is over \$164,900 (\$329,800 if married filing jointly or \$164,925 if married filing separately).

Form 1099-K Payment Card and Third-Party Network Transactions is an IRS information return used to report certain payment transactions to improve voluntary tax compliance.

Form 1099-K includes the gross amount of all reportable payment transactions. You will receive a Form 1099-K from each payment settlement entity from which you received payments in settlement of reportable payment transactions. A reportable payment transaction is defined as a payment card transaction or a third-party network transaction.

- Payment card transaction means any transaction in which a payment card, or any account number or other identifying data associated with a payment card, is accepted as payment.
- Third party network transaction means any transaction that is settled through a third-party payment network, but only after the total amount of such transactions exceeds the minimum reporting thresholds.

The gross amount of a reportable payment does not include any adjustments for credits, cash equivalents, discount amounts, fees, refunded amounts, or any other amounts. The dollar amount of each transaction is determined on the date of the transaction.

NOTE: The minimum reporting thresholds apply only to payments settled through a third-party network; there is no threshold for payment card transactions.

Form 1099(s) are very important when comes to report traditional and non-traditional income earned by you personally or paid to your company for certain types of non-employment income to the IRS, such as dividends from stock or virtual currency, as well as income that you may have received as a result of being independent contractor.

Please Read Carefully:

By signing this form, you understand that all income listed on your 1099(s) (various forms) will be reported as such to the IRS in accordance with the terms, conditions, and requirements as stated by the Internal Revenue Service (IRS). And that no information or income will be false or misleading to either increase or decrease your federal tax liability, and that the information reflected on your forms

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will also be reflected accurately on your personal or business tax filing. If you would like more information in regard to 1099-NEC, 1099-Miscellaneous, Schedule-K, 1099-C cancellation of debt, etc. this information can be found on the IRS website at www.irs.gov.

Qualifying Deductions Summary

Listed below are some of the deductions you may have, qualify for, or have questions about.

If you believe that any of the information listed below applies to you, please place a check mark next to it, so that it can be brought to your preparer's attention prior to your tax intake interview and discussed more thoroughly. As it is our goal to prepare and report your tax records accurately to the IRS.

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|--|--|--|--|
| <input type="checkbox"/> Acupuncture | <input type="checkbox"/> Blindness | <input type="checkbox"/> Child Care Credit | <input type="checkbox"/> County Taxes |
| <input type="checkbox"/> Additional Child Tax Credit | <input type="checkbox"/> Boats and RVs | <input type="checkbox"/> Child Support Paid | <input type="checkbox"/> Day Care Centers |
| <input type="checkbox"/> Adoption Credit | <input type="checkbox"/> Books & Magazines | <input type="checkbox"/> Child Tax Credit | <input type="checkbox"/> Dentist Expenses |
| <input type="checkbox"/> Age 65 or Older | <input type="checkbox"/> Business Conventions | <input type="checkbox"/> Closing Costs | <input type="checkbox"/> Dependents |
| <input type="checkbox"/> Alcohol Treatment Program | <input type="checkbox"/> Capital Gain Credit (Form 2439) | <input type="checkbox"/> Clothing Donation | <input type="checkbox"/> Dependent Care Credit |
| <input type="checkbox"/> Alimony Paid | <input type="checkbox"/> Capital Loss Carryover | <input type="checkbox"/> Clothing & Uniforms | <input type="checkbox"/> Doctor Bills |
| <input type="checkbox"/> American Opportunity Credit | <input type="checkbox"/> Car Expenses | <input type="checkbox"/> Club Fees | <input type="checkbox"/> Donations |
| <input type="checkbox"/> Attorney Fees | <input type="checkbox"/> Casualty and Theft Losses | <input type="checkbox"/> College Expenses | <input type="checkbox"/> Dues |
| <input type="checkbox"/> Vehicle Expenses | <input type="checkbox"/> Cell Phone Expenses | <input type="checkbox"/> Commuting Expenses | <input type="checkbox"/> Earned Income Credit (EIC) |
| <input type="checkbox"/> Auto Registration | <input type="checkbox"/> Charitable Contributions | <input type="checkbox"/> Computer | <input type="checkbox"/> Education Expenses |
| <input type="checkbox"/> Babysitting Expenses | <input type="checkbox"/> Children and Dependents | <input type="checkbox"/> Contact Lenses | <input type="checkbox"/> Educator Expenses |
| <input type="checkbox"/> Nonbusiness Bad Debt | | <input type="checkbox"/> Convention Travel | <input type="checkbox"/> Elderly or Disabled Credit (Schedule R) |

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| <input type="checkbox"/> Elderly Parents Support | <input type="checkbox"/> Health Savings Account (HSA) | <input type="checkbox"/> Lifetime Learning Credit | Minimum Tax (Form 8801) |
| <input type="checkbox"/> Equipment | <input type="checkbox"/> Hobby Losses | <input type="checkbox"/> Loan Origination Fees | <input type="checkbox"/> Property Donations |
| <input type="checkbox"/> Vehicle Credit (Form 8936) | <input type="checkbox"/> Home Construction Loan | <input type="checkbox"/> Margin Loan Interest | <input type="checkbox"/> Property Taxes |
| <input type="checkbox"/> Employee Expenses | <input type="checkbox"/> Home Equity Loan | <input type="checkbox"/> Meals and Entertainment | <input type="checkbox"/> Where do I enter a Qualified Business Income (QBI) Deduction (Form 8995)? |
| <input type="checkbox"/> Home Energy Credit | <input type="checkbox"/> Home Energy Credit | <input type="checkbox"/> Medical Expenses | <input type="checkbox"/> Qualified Charitable Distribution (QCD) |
| <input type="checkbox"/> Excess Social Security Credit | <input type="checkbox"/> Home Improvements | <input type="checkbox"/> Mortgage Interest | <input type="checkbox"/> Real Estate Tax |
| <input type="checkbox"/> Filing Status Uncertainty | <input type="checkbox"/> Home Mortgage | <input type="checkbox"/> Moving Expenses | <input type="checkbox"/> Retirement Savings Credit |
| <input type="checkbox"/> First-Time Homebuyer Credit | <input type="checkbox"/> Home Office | <input type="checkbox"/> National Guard Expenses | <input type="checkbox"/> R.V. |
| <input type="checkbox"/> Foreign Earned Income | <input type="checkbox"/> Houseboats | <input type="checkbox"/> Fuel Tax Credit (Form 4136) | <input type="checkbox"/> Roth IRA Contributions |
| <input type="checkbox"/> Foreign Exchange Student | <input type="checkbox"/> Interest Expense | <input type="checkbox"/> Nursery School | <input type="checkbox"/> Sales Tax Deduction |
| <input type="checkbox"/> Foreign Tax Credit or Deduction | <input type="checkbox"/> Internet Expenses | <input type="checkbox"/> Nursing Home | <input type="checkbox"/> Self-Employment Tax |
| <input type="checkbox"/> Foster Children | <input type="checkbox"/> Investment Interest | <input type="checkbox"/> Optometrist | <input type="checkbox"/> Self-Employed Retirement Contributions (SEP) |
| <input type="checkbox"/> 401(k) Plans | <input type="checkbox"/> IRA Contributions | <input type="checkbox"/> Points, Where do I enter the Premium Tax Credit (Form 8962)? | <input type="checkbox"/> Settlement Fees (Closing Disclosure Form) |
| <input type="checkbox"/> 403(b) Plans | <input type="checkbox"/> Job Expenses | <input type="checkbox"/> Prescription Drugs | |
| <input type="checkbox"/> Gambling Losses | <input type="checkbox"/> Jury Duty Repaid | <input type="checkbox"/> Where do I enter a credit for Prior Year | |
| <input type="checkbox"/> Head of Household | <input type="checkbox"/> Legal Fees | | |
| <input type="checkbox"/> Health Insurance | <input type="checkbox"/> Licenses | | |

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| <input type="checkbox"/> Standard Deduction | <input type="checkbox"/> Miscellaneous Additional | <input type="checkbox"/> Travel Expenses | <input type="checkbox"/> Commercial Insurance |
| <input type="checkbox"/> State and Local Income Taxes | <input type="checkbox"/> Maintenance & Repairs | <input type="checkbox"/> Hotel and Lodge Expenses | <input type="checkbox"/> Property, Farming Equipment, Land |
| <input type="checkbox"/> Student Loan Interest | <input type="checkbox"/> Certifications | <input type="checkbox"/> Minister, Pastoral, Clergy, Man of the Cloth, Reverend | |
| <input type="checkbox"/> Software | <input type="checkbox"/> PPE Gear | | |
| <input type="checkbox"/> Tax Preparation Fees | <input type="checkbox"/> Medical equipment | <input type="checkbox"/> Licensing Fees | |
| <input type="checkbox"/> Teacher Expenses | <input type="checkbox"/> Union Dues | <input type="checkbox"/> Wages Paid for Housekeep, Maids, Live in Servants | |
| <input type="checkbox"/> Telephone | <input type="checkbox"/> Volunteer Expenses | <input type="checkbox"/> Contractors Commission | |
| <input type="checkbox"/> Theft Losses | Charity | | |
| <input type="checkbox"/> Tools | <input type="checkbox"/> Tithes & Offerings | <input type="checkbox"/> Labor & Delivery | |
| <input type="checkbox"/> Travel Expenses | <input type="checkbox"/> Weight Loss Program | <input type="checkbox"/> Employee Wages | |
| <input type="checkbox"/> Tuition payments | <input type="checkbox"/> Work Clothes and Uniforms | <input type="checkbox"/> Insurance-Business, Licensing, Bonds, | |
| <input type="checkbox"/> Books, Supplies, Equipment, & Gear | <input type="checkbox"/> What is the Work Opportunity Credit? | <input type="checkbox"/> Insurance Rental, Equipment, Residential Property | |
| <input type="checkbox"/> Dorm & Housing Expenses | <input type="checkbox"/> Worthless Stocks | | |
| | <input type="checkbox"/> Toll Roads | | |

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Understanding the Importance of Accurately Reporting your Form 1099 Income

Several types of 1099 forms exist to document payments made between an individual or business and another party, because 1099 forms record payments, many people can receive various 1099 forms for different reasons.

One of the most popular 1099 forms is the 1099-NEC for Non-Employee Compensation payments. Such as if you're an independent contractor or freelancer, you may receive a Form 1099-NEC documenting payments made to you throughout the year from a particular payer.

The 1099(s) form is a series of documents the Internal Revenue Service (IRS) refers to as "information returns." There are several different 1099 forms that report various types of payments you may receive throughout the year other than what a business might pay you.

The IRS 1099 Form is a collection of tax forms documenting different types of payments made by an individual or a business that typically isn't your employer. The payer fills out the form with the appropriate details and sends copies to you and the IRS, reporting payments made during the tax year. In some instances, a copy must also be sent to your state taxing authority. The payer is responsible for filling out the appropriate 1099 tax form and sending it to you. Such payments can be for rental income, earnings working as a freelancer or independent contractor, a tax refund received from your state or locality, gambling winnings, and more.

1099 Income Recipient Information:

First Name: _____ Last Name: _____

Date of Birth: _____ Social Security Number: _____

Certification, Licensing, Credential Information: _____

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