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The 1099 Worker's Records Checklist

What to collect all year so tax season is an afternoon, not a crisis.

If you are paid as a contractor — gig work, freelance, side work, commission — nobody is withholding taxes for you. That is not a problem as long as you know it. It becomes a problem in April, when you find out for the first time. This page is the short version of what to keep.

THE RULE THAT CHANGED FOR 2026 — READ THIS ONE TWICE

Starting with tax year 2026, a company only has to send you a 1099-NEC or 1099-MISC if it paid you more than **$2,000** for the year. It used to be $600. That means you may do real work, get real money, and never receive a form for it. **The income is still taxable and you are still required to report it.** The form was never what made it taxable — the form was just the reminder. In 2026, the reminder stops coming. Your own records are now the only record.

Track your income yourself

- ☐ **Every payment received** — date, who paid you, amount, what it was for. A phone note or a free spreadsheet is enough. Do it weekly.
- ☐ **Payment app and processor statements** — Cash App, PayPal, Venmo business, Zelle, Stripe, Square. Download the year-end summary from each.
- ☐ **Any 1099 forms you do receive** — NEC, MISC, K. Save the PDF the day it arrives.
- ☐ **Bank statements** — all twelve months, for any account money landed in.
- ☐ **Cash payments** — the ones nobody reports. Write them down the same day.

The other threshold worth knowing

Form 1099-K, the one payment apps send, went back to **$20,000 and 200 transactions**. Most people will not hit it. Same principle applies: no form does not mean no tax.

Expenses to be capturing right now

You are taxed on profit, not on what came in. Every legitimate business expense you fail to record is money you hand over for no reason. Keep the receipt — a photo of it counts.

CATEGORY	WHAT ACTUALLY COUNTS
Vehicle	Miles driven for work. See page two — the single biggest deduction most 1099 workers miss.
Home office	A space used regularly and only for work. Measure the square footage once and keep it.
Phone & internet	The business-use percentage, not the whole bill. Pick an honest number and be able to explain it.
Supplies & equipment	Laptop, tools, software subscriptions, printing, materials.
Training & licensing	Courses, certifications, renewals, professional dues in your field.
Fees	Payment-processing fees, bank charges on a business account, platform cuts.
Health insurance	Premiums you pay yourself may be deductible. Keep the statements.
Retirement	SEP-IRA or Solo 401(k) contributions. Ask before you assume the limit.

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Mileage, Quarterlies, and What You Owe

Mileage — 2026 has two rates

The IRS raised the business standard mileage rate mid-year, so 2026 mileage is logged in two blocks. Keep them separate or you will shortchange yourself on the back half of the year.

PERIOD	BUSINESS RATE PER MILE
January 1 – June 30, 2026	72.5¢
July 1 – December 31, 2026	76¢

Log the date, the purpose, and the miles. Commuting from home to a regular workplace does not count. Driving between jobs, to clients, or to pick up supplies does.

Set money aside as you go

Contractors owe self-employment tax of **15.3%** on net earnings — that is the Social Security and Medicare that an employer would normally split with you — plus regular income tax on top. Because nothing is withheld, the IRS expects payments four times a year rather than one lump in April.

2026 INCOME EARNED IN	ESTIMATED PAYMENT DUE
January – March	April 15, 2026
April – May	June 15, 2026
June – August	September 15, 2026
September – December	January 15, 2027

How much to set aside depends on your total income, your filing status, your state, and your deductions. Anyone who gives you a single percentage without asking those questions is guessing. Bring your numbers and we will work out yours.

Keep it for three years

Hold records for at least three years after you file. A folder on your phone and a folder in your email is a system. No system is what turns a two-hour return into a two-week search.

> **START WHERE YOU ARE**
>
> If it is already mid-year and you have kept nothing, you have not ruined anything. Pull your bank and payment-app statements, reconstruct what you can, and start clean records today. Reconstructed is better than missing, and this year is better than next year.

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