



IT'S 1099 TIME AGAIN !!!

This letter is to remind you that you must give a form 1099 to any business or individual (not corporation) to whom **you paid \$600 or more** for any services performed during the year 2024. This includes the landlord for rent, salespeople, subcontractors, accounting, lawyers, maintenance, repairs, gardeners, etc

A **Form 1099-INT** is also to be sent to anyone that you have **paid over \$10.00 in interest** during the year.

Each Form 1099 must be sent to the payee by January 31, 2025. It must include the **correct** name (generally as it appears on their Social Security Card), address, social security number or tax I.D. number (TIN) and the amount paid. Review the specific instructions on the back of the W-9 Form (attached) & more on the page following this letter for clarification. If you are a sole proprietor and do not have a Federal ID # for your business, use your social security #.

If anyone refuses to give you their information, you are required by law to withhold 28% of their payment to protect yourself from penalties. There is a \$50-100 fine (depending on how late you file) for failure to file a Form 1099 (per form).

We have enclosed a **blank W-9 Form** to help you get the correct information that you will need. Make copies of this form as needed. **The W-9 Form should be filled out by all subcontractors BEFORE you enter into any contract agreement.**

We can do the 1099s for you, hassle free, **if you provide us with all the information needed as soon as possible, but no later than January 24, 2025** on the enclosed **1099 Summary Sheet**. Pricing is noted on the "1099 Form Preparation" sheet.

*****WE URGE YOU TO TAKE THIS MATTER SERIOUSLY, BECAUSE THE PENALTIES CAN BE VERY HIGH.*****

PLEASE! PLEASE! PLEASE! CALL OUR OFFICE IF YOU HAVE ANY QUESTIONS. WE ARE HERE TO HELP.

Cordially,

Coleman Cook

For more detailed specifics on this form, go to irs.gov and type in Form W-9 Instructions. Here is a brief overview.

Specific Instructions

File Form 1099-MISC or 1099-NEC, Miscellaneous Income, for each person to whom you have paid during the year:

- At least \$10 in royalties (see *Box 2* on page 4) or broker payments in lieu of dividends or tax-exempt interest (see *Box 8* on page 7);
- At least \$600 in rents, services (including parts and materials), prizes and awards, other income payments, medical and health care payments, crop insurance proceeds, cash payments for fish (or other aquatic life) you purchase from anyone engaged in the trade or business of catching fish, or, generally, the cash paid from a notional principal contract to an individual, partnership, or estate;
- Any fishing boat proceeds; or
- Gross proceeds of \$600 or more paid to an attorney.

Trade or business reporting only. Report on Form 1099-MISC or 1099-NEC only when payments are made in the course of your trade or business. Personal payments are not reportable. You are engaged in a trade or business if you operate for gain or profit. However, nonprofit organizations are considered to be engaged in a trade or business and are subject to these reporting requirements. Other organizations subject to these reporting requirements include trusts of qualified pension or profit-sharing plans of employers, certain organizations exempt from tax under section 501(c) or (d), farmers' cooperatives that are exempt from tax under section 521, and widely held fixed investment trusts. Payments by federal, state, or local government agencies are also reportable.

Exceptions. Some payments are not required to be reported on Form 1099-MISC or 1099-NEC, although they may be taxable to the recipient. Payments for which a Form 1099-MISC or 1099-NEC is not required include:

- Generally, payments to a corporation; but see *Reportable payments to corporations* on page 2;
- Payments for merchandise, telegrams, telephone, freight, storage, and similar items;
- Payments of rent to real estate agents, but see Regulations section 1.6041-1(e)(5), Example 5;
- Wages paid to employees (report on Form W-2, Wage and Tax Statement);
- Military differential wage payments made to employees while they are on active duty in the Armed Forces or other uniformed services (report on Form W-2);
- Business travel allowances paid to employees (may be reportable on Form W-2);
- Cost of current life insurance protection (report on Form W-2 or Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.);
- Payments to a tax-exempt organization including tax-exempt trusts (IRAs, HSAs, Archer MSAs, and Coverdell ESAs), the United States, a state, the District of Columbia, a U.S. possession, or a foreign government; and
- Certain payment card transactions if a payment card organization has assigned a merchant/payee a Merchant Category Code (MCC) indicating that reporting is not required.



1099 Form Preparation by Silverberg & Cook for Tax Year 2024

Cost: \$45.00 for the first 1099, and \$20.00 for each additional form

Please complete the form and mail or fax this sheet to: Silverberg & Cook, 1045 W. Katella Ave, Suite 260, Orange, CA 92867 / FAX (714) 939-1215 / Email rebecca@silverberg-cook.com. We must receive this form by **January 24, 2025** to meet the filing deadline.

1099 SUMMARY SHEET

Payor Information:

Your Name _____

Address _____

City, State, Zip _____

TIN # _____

Phone # _____

Payee Information [Make copies of this page if you need more space]

Amount paid	Purpose* (see below)	Payee Name	Address	SSN or TIN

- *Typical "Purpose" Items:
- Rent (1099-MISC) \$600 and up
 - Interest (1099-INT) \$10 and up
 - Subcontractors / Professional Fees / Attorneys - all amounts (1099 NEC) \$600 and up

No 1099 is needed if payment is to a corporation or a rental agent. For sole proprietors, give owner's name and SS #, not business name and TIN (Taxpayer Identification Number). For Partnerships, give business name and TIN.

*** See instructions for W9 form for more clarification ***