

JENNINGS & CLOUSE, PLC

CERTIFIED PUBLIC ACCOUNTANTS

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December 1, 2017

Dear Client,

Did your business make any payments that would require filing Form(s) 1099 - MISC?

1099 Filing Requirements

A Form 1099-MISC is used to report payments for **services** provided to your business by unincorporated vendors and independent contractors when those payments total \$600 or more for the year. The IRS has established four conditions for payments that must be reported using Form 1099-MISC. All of the following four conditions must be met:

1. The payment must be made to a non-employee.
2. The payment must be made for services to the trade or business.
3. The payment was to an unincorporated entity. (Note: All payments \$600 or greater for legal services should be reported, even if to a corporate entity.)
4. The payment or payments totaled \$600 or more for the year.

**** Please include amounts paid to Jennings & Clouse, PLC for services of \$600 or more on the attached form.**

Required Information

In order to properly prepare Form 1099-MISC you will need the following required information:

Payee's name, complete mailing address, Social Security Number, or Employer Identification Number, total amount paid to the payee in 2017, and type of expenditure (generally rents, services performed by someone who is not your employee (including parts and materials), prizes or awards, payments to an attorney, or other miscellaneous non-employee compensation).

The best way to obtain the required information from the payee is to have him/her fill out a W-9 form prior to you making payment for their services. Forms W-9 should be kept on file for all payees subject to Form 1099 reporting. If a vendor refuses to fill out Form W-9 or fills it out incompletely, he/she immediately becomes subject to a 28% backup tax withholding requirement on future payments.

Penalties for Failing to File

Penalties for failure to file correct information returns and/or furnish correct payee statements have increased and are now subject to inflationary adjustments. **For 2017, those penalties range from \$50 to \$260 per return.** Employers must send Copy A of Form 1099-MISC to the Internal Revenue Service with transmittal Form 1096 by *January 31, 2018* and must furnish Copy B to the recipient by *January 31, 2018*.

What You Need to Do

Our firm is available to help you comply with the Form 1099 requirements. **This information is required by January 15th to ensure your Forms 1099 are processed by the January 31, 2018 due date.** Please contact our office if you have any questions or need additional information.

Thank you.

Information Required to Prepare Form 1099s - TAX YEAR 2017

Client Name: _____ EIN: _____

_____ Name of **Business Payee**: _____ **EIN**: _____ (must provide EIN for business)

Name of **Individual Payee**: _____ **SSN**: _____ (must provide SSN for individual)

Address _____

Amount Paid \$ _____

Type of Payment: (Check one) Rent _____ Other Misc Services _____

Prizes/Awards _____ Interest _____

_____ Name of **Business Payee**: _____ **EIN**: _____ (must provide EIN for business)

Name of **Individual Payee**: _____ **SSN**: _____ (must provide SSN for individual)

Address _____

Amount Paid \$ _____

Type of Payment: (Check one) Rent _____ Other Misc Services _____

Prizes/Awards _____ Interest _____

_____ Name of **Business Payee**: _____ **EIN**: _____ (must provide EIN for business)

Name of **Individual Payee**: _____ **SSN**: _____ (must provide SSN for individual)

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Amount Paid \$ _____

Type of Payment: (Check one) Rent _____ Other Misc Services _____

Prizes/Awards _____ Interest _____