

AM I REQUIRED TO FILE A 1099-NEC OR 1099-MISC?

As a business taxpayer, the IRS requires you to issue and file a Form 1099-NEC or 1099-MISC to each person or company to whom you paid \$600 or more in 2024. You are considered a "business taxpayer" if you're self-employed, own a business, or have income from a rental property. These rules apply regardless whether you file taxes as a sole proprietor, LLC, partnership, or corporation.

If you can answer "yes" to any question below, you're required to issue and file a 1099-NEC or a 1099-MISC

In 2024, did your business pay \$600 or more to any non-employee individual, LLC or partnership for:

- **services rendered** (i.e. independent contractor, vendor, service provider)?
- **rents paid** (i.e. for office space or equipment rentals)?
- **an independent attorney** for business-related matters?
- **royalties paid?** (note the threshold for royalties is only \$10)

KEEP IN MIND

1. * Business payments to corporations are (thankfully) exempt from this 1099 requirement.
2. 1099 filing applies only to payments made via your business, **not personal payments**.
3. The \$600 amount is the total of all 2024 payments made to one person or one business.
4. To clients who have paid Foundation Tax LLC more than \$600 for business tax preparation or other services in 2024, issuing a 1099-NEC is still required! As a courtesy, I'll prepare and file this form for you at no charge as long as I prepare your 2024 tax returns. Qualifying clients need to notify me by email to request this complimentary service no later than Jan. 29, 2025.
5. Be on the lookout for the 1099-NEC from clients or customers to whom you provided services that meet or exceed the \$600 threshold.

NEXT STEPS

I will prepare and e-file your 1099(s). I'll gather your info, mail your recipients a paper 1099 by the 1/31 IRS deadline. Then I'll e-file your federal & state 1099's, and provide you a pdf copy.

- I'll **determine whether a 1099-NEC or a 1099-MISC is appropriate for your situation**.
- Please complete the attached fillable pdf 1099-NEC/MISC worksheet.
- Return to Sara via ShareFile **no later than 11:59 PM on 1/31/25**

*After Jan 29, 1099 prep services are subject to availability/capacity and will incur an expedited processing fee.

2024 1099-NEC/MISC WORKSHEET

This is a fillable pdf document, use "tab" to go to next field.



PART 1 | Instructions: Use separate worksheet for each 1099 you will issue. Please complete ALL fields below.

Your company name (or DBA): _____

Your company street address, city, state, zip: _____

Your company phone # (w/area code): _____ Your email: _____

Your company Fed. Tax ID# : ____ - ____ - ____ OR Your SSN#: ____ - ____ - ____

* Recipients' Name: _____ Acct # (if any): _____

Recipient's street address, city, state, zip: _____

Recipient's Fed. Tax ID#: ____ - ____ - ____ OR Recipient's SSN#: ____ - ____ - ____

** Recipients can be sole proprietors, partnerships or LLCs. Corporations are exempt from 1099 requirements.*

PART 2 | Instructions: Please total 2024 amounts paid and fill in applicable fields below. List payments for most services performed by independent contractors and vendors in box 7 "Non-employee compensation."

1 \$ _____	Rents paid (i.e. office or studio space)	10 \$ _____	Crop insurance proceeds
2 \$ _____	Royalties paid	11 \$ _____	n/a
3 \$ _____	Other income paid (i.e. prizes, awards)	12 \$ _____	n/a
4 \$ _____	Federal income tax withheld	13 \$ _____	Excess golden parachute pymt.
5 \$ _____	Fishing boat proceeds	14 \$ _____	Gross proceeds to an attorney
6 \$ _____	Medical & health care payments	15a \$ _____	Section 409A deferrals (NQDC)
7 \$ _____	Non-employee compensation paid	15b \$ _____	Section 409A income
8 \$ _____	Substitute pymts in lieu of dividends/ interest	16 \$ _____	State tax withheld
9 \$ _____	Payer made direct sales of \$5000 or more of consumer products to a buyer for resale	17 \$ _____	State income

To ensure meeting the IRS January 31st deadline, please return this completed worksheet to Foundation Tax LLC no later than **WEDNESDAY, 02/27/2025**

UPLOAD this doc to your ShareFile portal account, click here →

