

LACHOWICZ & COMPANY LLC
ACCOUNTANTS and CONSULTANTS

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1099 FORMS TO BE FILED

The Internal Revenue Service (IRS) regulations state that **Form 1099** must be issued annually to any **person or partnership** (non-corporate) receiving payments from your company in the following amounts:

\$600.00 or more

Services rendered by Subcontractors, Truckers, Consultants, etc.
Director Fees, Management Fees and Commissions
Rent Real Estate and Rent Equipment

\$10.00 or more

Interest, Dividends and Royalties

Any Amount

Attorneys (incl. corporations)

IRS requires the **individual's name to be listed first** for payments to sole proprietors. Do not list only the business name; you may list the business name after the individual's name. A completed **Form W-9** should be in your file to confirm the name and address for each 1099 issued. We recommend obtaining **business cards** and/or other documentation from all contractors and subcontractors, truckers, etc. to support they are in business for themselves.

All persons and businesses making a payment for services rendered to **unregistered contractors** must withhold NJ tax of 7% from the payment. To confirm the contractor is registered:

<http://www.state.nj.us/treasury/revenue/busregcert.shtml>

Should you desire us to prepare the 1099 Forms, it will be necessary for you to complete the 1099 worksheet. Addresses must be entered on the worksheet for each person, along with the classification and total amount paid for the year. Different types of payments to the same individual should be listed separately.

These forms are due to the recipient by January 31st; therefore, this information must be forwarded to us **by January 10th**. **Please advise us (call 856-694-1500) if you will "not" be issuing 1099 forms to permit us to update our records.**

Penalties for failure to file and /or filing incorrect information reports can range from \$50.00 to **\$500.00 per form**.

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