




**Local Government Officials
Conference (LGOC)**

Form 1099
By Wendy Speelman
Internal Revenue Service


March 28, 2023



**What Is Reported on
Form 1099?**

- Payments of \$600 or more per calendar year
- Paid in the course of your trade or business
- For Services (not supplies)
- Payments to sole proprietor, partnership, or trusts
- Payments to Corporations if:
 - Attorney or health & medical


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Form W-9 Info

- Provide to every vendor who performs services for your entity (not merchandise)
- Solicit when establishing vendor or prior to payment
- Use to request name & taxpayer identification number (TIN) (SSN or EIN)
- Identifies type of business
 - Sole proprietor, partnership, Corp.


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Backup Withholding (BUW)

- Payments subject to Backup Withholding when:
 - The payment is \$600 or more and
 - The payee failed to furnish his TIN or
 - The IRS notified the payor the TIN furnished by the payee is incorrect


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BUW Information

- Withhold Federal Income Tax (FIT) @ 24% from reportable payment to payee
- Report BUW on Form 945, Annual Return of FIT withheld
- Report FIT in Box 4 on Form 1099-NEC
- Publication 1281, Backup Withholding for Missing & Incorrect Name/TIN(s)

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TIN Matching Program

- Must register with E-Service & TIN Matching
- Matches 1099 payee information with IRS records prior to submitting forms
- Decrease backup withholding & Penalty notices
- Pub. 2108-A, On-Line TIN Matching Program

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Penalties on Form 1099

- Failure to File Correct Information Returns
Failure to Furnish Correct Payee Statements
- Each penalty is per information return
- \$50 if filed within 30 days
- \$100 if filed 31 days late – Aug. 1
- \$290 if filed after 8/1 or not at all

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How to find Form 1099 Instructions

irs.gov

- Select Forms & Instructions Tab (at the top)
- In search box: Form 1099 Instructions
 - Instructions for Forms 1099-MISC and 1099-NEC
 - General Instructions for Certain Information returns


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End of year payroll

1. Validate gross pay includes all types of payments and benefits
2. Verify "pre-tax" & "after-tax" items are correctly coded
3. Ensure amounts on Form W-3 match:
 - W-2s
 - 941s


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Reconcile 941 & W-3

- Reconcile the following:
 - Federal wages
 - Federal income tax withholding
 - Social security wages
 - Medicare wages


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Tax Information for Government Entities

- www.irs.gov
 - File Tab (top left)
 - Federal, State & Local Governments
- OR
- www.irs.gov/fslg

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Federal, State, Local Governments Home Page

Tax Information for Federal, State and Local Governments

Find tax information for federal, state and local government entities, including tax withholding requirements, information returns and e-services.

Recent Developments

Changes in guidance, law and procedures that affect federal, state and local governments.

- IRS increases mileage rate for remainder of 2022 (August 25, 2022)
- IRS initiates adjusted amounts for Health Savings Accounts (August 15, 2022)

[Subscribe to Updates](#)

Employer Information
Tax responsibilities for government entities.

- [Answers to Common Questions](#)

Information Returns
Filing and reporting requirements.

- [Information Returns](#)

Related


- [Information Returns Guide](#)
- [Information Returns Reporting](#)

Taxpayer Identification Number (TIN) Matching

Tools for TIN matching and other e-Services.

- [TIN Matching Information](#)

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 **TE/GE Survey**

IRS Tax Exempt & Government Entities (TE/GE) values your feedback.

We invite you to take our brief anonymous survey to share your thoughts on the event you attended and what types of events you'd like to see in the future. We provide two easy ways to get started.

To access the survey, visit www.irs.gov/tegesurvey
— or —
Scan this QR code
using your smart device's camera app.

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Publication 5715 (11-2022), Catalog Number 93531
Department of the Treasury Internal Revenue Service www.irs.gov
