



## 1099 Preparation & Filing Basics – 2020

### Basic Requirements

- **General Information**
  - 1099s are due to the recipient by February 1, 2021
  - The new Form 1099-NEC that reports non-employee compensation is required to be filed by February 1, 2021; All other 1099s are to be filed by March 1, 2020 (paper filing) or March 31, 2021 (electronically filing)
  - All 1099s require the name, address, and EIN/SSN (also referred to as TIN – Taxpayer Identification Number) of the recipient
  - The most common types of payments requiring 1099s are listed below; 1099s are required if during the course of business in 2020 you paid any individual or non-corporate entity (which could include LLCs or Partnerships):
    - \$600 or more of
      - rents (including equipment rental or rents paid to a related party)
      - services (Especially repairs, maintenance, cleaning, or contracted labor)
      - attorney’s fees (even if to a corporation)
      - payments of other income not reported on a W-2 (non-employee compensation)
    - Interest, dividends or royalties of \$10 or more
  - One vendor may receive multiple types of payments; A 1099-MISC with Rents (Box 1) must be issued/filed separate from a 1099-MISC with any other box filled in
- **Recipient Information Needed** – entered in Recipient fields of 1099
  - Name – Company or Individual
  - SSN/EIN – Company or Individual
  - Address
  - Amount Paid
  - Withholdings (if any)
- **Payer Information Needed** – entered on 1096 and in Payer fields of 1099
  - Name – Company or Individual
  - SSN/EIN – Company or Individual
  - Address
  - Phone Number
- **Use of SSN/EIN**
  - Use a Company name with an EIN
  - Use an Individual name with a SSN
  - Do **not** enter both an EIN and a SSN on Form 1096
- **Form W-9**
  - Used to obtain all required Recipient information
  - Should be obtained by Payer prior to payments being issued
  - Fillable form can be found here – <https://www.irs.gov/pub/irs-pdf/fw9.pdf>

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## **Basic Preparation & Filing Information**

IRS general instructions can be found by visiting <https://www.irs.gov/instructions/i1099gi>.

- Forms can be purchased from stores such as Office Depot or ordered for little or free of charge from the IRS website (<https://www.irs.gov/forms-pubs/order-products>); Online versions are available but have limited use
  - **Do not** file with the IRS using the online versions of the forms – this can cause penalties to be assessed
  - Online versions can **only** be downloaded, printed, and used for Recipient copies
- **Typically Used Forms**
  - 1096 – summarizes the information being filed for **each type** of 1099
  - 1099-MISC – most commonly reports payments for rents, other income, and attorney fees
  - 1099-NEC – reports non-employee compensation (i.e. – services such as repairs, maintenance, cleaning, or contracted labor)
  - 1099-INT – reports interest payments
  - 1099-DIV – reports dividend payments
  - 1099-R – reports distributions from retirement accounts
- **Form Copies**
  - Copy A – file with the IRS
  - Copy 1 – file with the state (if paper filing accepted)
  - Copy B – issue to the Recipient
  - Copy 2 – for the Recipient to file with their state income tax return if required
  - Copy C – for the Payer to keep with their records
- **Paper Filing Guidelines**
  - Handwritten forms are acceptable – they must be completely legible, in black ink, and accurate to avoid processing errors; Handwritten forms often result in name/TIN mismatches
  - Use block print, not script characters
  - Type entries using black ink in 12-point Courier font; Copy A is read by machine and must be typed clearly using no corrections in the data entry fields
  - Data must be printed in the middle of the blocks, well separated from other printing and guidelines
  - Entries completed by hand, or using script, italic, or proportional spaced fonts, or in colors other than black, cannot be read correctly by the machine
  - Make all dollar entries without the dollar sign, but include the decimal point (for example, 10000.00); Show the cents portion of the money amounts
  - If a box does not apply it should be left blank
  - Do not enter 0 (zero) or "None" in money amount boxes when no entry is required; Leave the boxes blank unless the instructions specifically require that you enter a 0 (zero)
  - Do not enter number signs (#) – RT 2, not Rt. #2
  - Send the entire page of Copy A of your information returns with Form 1096 to the IRS even if some of the forms are blank or void
  - Do not use staples on any forms

Oregon Department of Revenue general information can be found by visiting <https://www.oregon.gov/dor/programs/businesses/pages/iwire.aspx>.

- **E-file Only**
  - Oregon requires all 1099s be filed electronically using iWire
  - Filing Options
    - Upload a 1099 text file (typically software generated)
    - Use DOR properly formatted spreadsheet
    - Manually enter the information
  - Penalties of up to \$25,000 can be assessed for not filing electronically
- **Required Forms to E-file**
  - 1099-NEC, 1099-MISC, 1099-R, 1099-G, 1099-K, and W-2G
  - 1099-DIV and 1099-INT – **not** required
- **Revenue Online Account**
  - No account is needed to file electronically
  - ODR recommends creating an account; An account allows for some information to automatically populate
  - An account can be created here - [https://revenueonline.dor.oregon.gov/tap/\\_/](https://revenueonline.dor.oregon.gov/tap/_/)
- **Save & Finish Later**
  - Click *Save and Finish Later* at the bottom of the page
  - No account – system will issue you a Request Code once you enter your email address; To recover your submission file, go to Revenue Online and click *Look up request code*; The system will prompt you for your email address and the Request Code
  - Revenue Online Account – you can retrieve your file by logging into Revenue Online and going to the *Activity Center*

Please reach out to your accountant to schedule a time to discuss any questions. If you wish to have DPW prepare and file your 1099s, please email Melissa Jahn at [melissaj@dpwcpas.com](mailto:melissaj@dpwcpas.com).