**1099 Guidelines**

A timely reminder for our business clients: Check your records for any payments made thus far this year, and ensure that you have W-9 information each payee.  Some general 1099 guidelines are as follows:

If you made a payment during the calendar year as in the course of your trade or business (including self-employed individuals), you are most likely required to file an information return to the IRS. Form 1099 is used to furnish many types of payments you made during the tax year. Personal payments are not reportable.

Generally, payments to a corporation are not reportable, unless specifically indicated by regulation. Examples of 1099 required reporting:  
• At least $600 in rents, services (including parts and materials), prizes and awards, other income payments  
• Gross proceeds of $600 or more paid to an attorney (even if a corporation)  
• Services performed by independent contractors or others (not employees of your business)  
• Prizes and awards and certain other payments  
• Royalties of at least $10  
• Backup withholding or federal income tax withheld  
• Crewmembers of your fishing boat  
• To physicians, physicians’ corporation or other supplier of health and medical services (as paid in relation to your business operations)  
• For a purchase of fish from anyone engaged in the trade or business of catching fish  
• Substitute dividends or tax exempt interest payments and you are a broker  
• Crop insurance proceeds  
• Interest on a business debt to someone (excluding interest on an obligation issued by an individual)  
• Dividends or other distributions to a company shareholder  
• Distribution from a retirement or profit plan or from an IRA or insurance contract  
• Payments to merchants or other entities in settlement of reportable payment transactions, that is, any payment card or third party network transaction

You are not required to file information return(s) if any of the following situations apply:  
• You are not engaged in a trade or business.  
• You are engaged in a trade or business and  
– the payment was made to another business that is incorporated, or  
– the sum of all payments made to the person or unincorporated business is less than $600 in one tax year (unless the recipient is an attorney or law firm, see specific Instructions for Form 1099-MISC for further details).

For full instructions, and access to W-9 and 1099 Forms, visit [www.irs.gov](http://www.irs.gov/).