

1099-MISCELLANEOUS - WHAT IS AND IS NOT REPORTABLE

What is and is not reportable in the 1099 Tax Reporting Program

Make sure that you have all of the information needed before you begin to enter the data. You must have:

- check recipient's name
- mailing address
- tax identification number (SSN or EIN)
- check number
- check amount
- date of check

TIP: Obtain all of this data BEFORE you issue a check!

If the merchant refuses to provide their TIN, name, or address, you and your agency may want to consider not doing business with that merchant.

In the 1099TRP, you enter checks written for:

- Individual, business, and corporations
- Any dollar amount (\$600 threshold applies to DFAS)
- Do not include bank fee
- Services
- Rent
- Medical services
- Products and services - entire amount is reportable.

REPORTABLE:

Examples of "Services" are

- payments for services include the parts or materials used to perform the services if supplying the parts or materials was incidental to provide the service
- repairs to office machines, buildings, equipment
- professional service fees to attorneys, accountants, architects, speakers, directors, referral fees, experts in legal adjudication, witness fees, entertainers, independent contractors
- payments for punitive damages in a law suite
- payments to instructors/teachers/trainers, training groups/choir director, minister service
- Examples of "Rent" are: rentals such as booths at fairs, hotel rooms, parking spaces, equipment, coin operated

amusements including video games, pinball machines, jukeboxes, pool tables, slot machines or other machines operated by coins

- royalties such as those paid directly to an author or literary agent
- maintenance to lawn or vehicle
- Examples of "Medical Services" are: medical and health care services such as hospital fees/charges, doctor fees/charges, examinations, tests, etc.
- prizes and awards **that are not** for services performed, paid to your employees, or received for recognition of accomplishments

NOT REPORTABLE:

- Tax exempt agencies
- Government agencies (federal, state, city, county, parish)
- Boy Scouts
- Red Cross
- **State Owned** colleges and universities
- Hospitals owned and operated by the United States, State, or the District of Columbia and any of their subdivisions
- Utilities such as electric, gas, water, and telephone services
- Delivery services such as Federal Express and UPS

TIP: If they are a regular business they will most likely NOT be tax exempt. Request a copy of their tax exempt status letter that they received from the IRS. If you question their status, please contact to us. The federal government has to issue 1099-MISC to corporations where the commercial world does not.

Therefore, businesses believe they are tax exempt when they are not.

- Checks written for product/good only
- Registration fees, seminar fees, conference fees