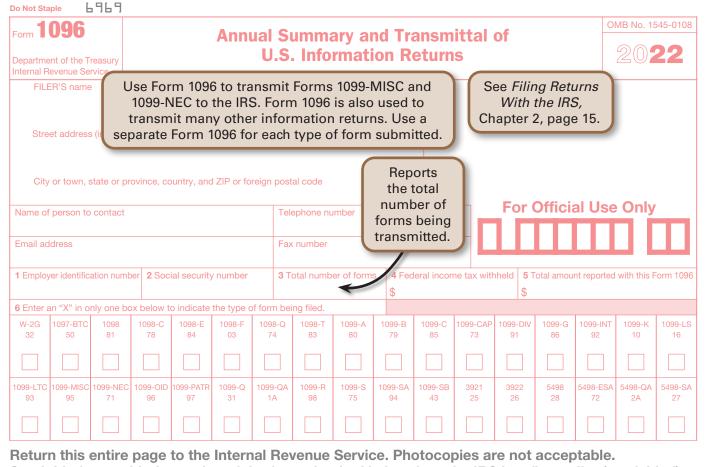
## Chapter 1 **1099-MISC/NEC Roadmap**

Form 1096, Annual Summary and Transmittal of U.S. Information Returns	7
Form 1099-MISC, Miscellaneous Information	8
Form 1099-NEC, Nonemployee Compensation	9

Form 1096. See page references for additional information.



Send this form, with the copies of the form checked in box 6, to the IRS in a flat mailer (not folded).

**Box 3** Total number of forms. Enter the total number of forms being transmitted with the Form 1096. Do not include blank or voided forms or the Form 1096 in the total. Enter the number of correctly completed forms, not the number of pages, being transmitted.

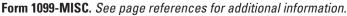
**Box 4** Federal income tax withheld. Enter the total federal income tax withheld shown on the forms being transmitted with the Form 1096.

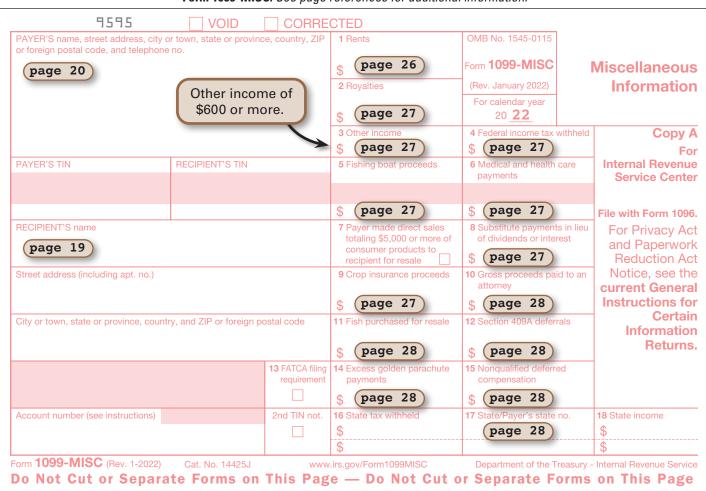
## **Box 5** Total amount reported with this Form 1096. For the forms below, enter the total of the amounts from the specific boxes identified for each form.

Form	Box	Form	Box
1099-MISC	1, 2, 3, 5, 6, 8, 9, 10, 11, and 13	1099-R	1
1099-NEC	1	1099-S	2
1099-INT	1, 3, 8, 10, 11, and 13	1099-C	2
1099-DIV	1a, 2a, 3, 9, 10, and 12	1098	1 and 6

**Box 6** The box checked indicates the type of form being transmitted with the Form 1096.

Table of Contents





**Box 1 Rents.** Report amounts of \$600 or more for all types of rents, such as real estate rentals for office space, machine rentals, and pasture rentals.

**Box 2 Royalties.** Report gross royalty payments of \$10 or more. Report royalties from:

- Oil, gas, or other mineral properties before reduction for severance and other taxes that may have been withheld and paid.
- Intangible property such as patents, copyrights, trade names, and trademarks.
- A publisher directly to an author or literary agent (before reduction for fees, commissions, or expenses), unless the agent is a corporation.

**Box 3 Other income.** Report other income of \$600 or more required to be reported on Form 1099-MISC that is not reportable in one of the other boxes on the form. This includes prizes and awards that are not for services performed.

- Report payments of \$600 or more in rents.
- Report payments of \$10 or more in gross royalties.
- Report payment information to the IRS and person or business that received the payment.

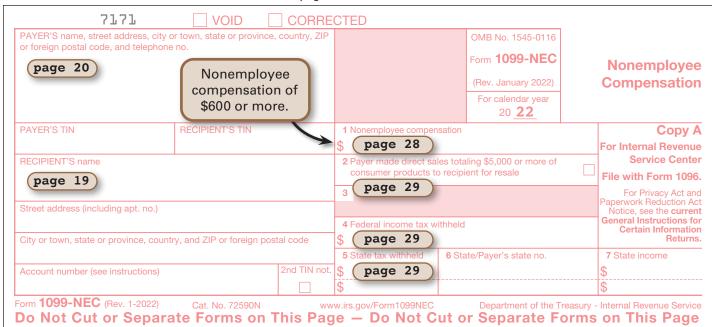
**Box 4** Federal income tax withheld. Report backup withholding for individuals who have not provided their taxpayer identification number (TIN).

**Box 5 Fishing boat proceeds.** Report an individual's share of all proceeds from the sale of a catch or the FMV of a distribution in kind to each crew member of fishing boats with normally fewer than 10 crew members. This includes cash payments of up to \$100 per trip that are contingent on a minimum catch and are paid solely for additional duties for which additional cash payments are traditional in the industry.

**Box 6** Medical and health care payments. Report payments of \$600 or more made to each physician or other supplier or provider of medical or health care services. This includes payments made by medical and health care insurers under health, accident, and sickness insurance programs.

**Box 7** Payer made direct sales of \$5,000 or more of consumer products to recipient for resale. Checkbox indicates sales of \$5,000 or more to a person on a buy-sell, deposit-commission, or other commission basis for resale anywhere other than in a permanent retail establishment. *continued on next page* 

Form 1099-NEC. See page references for additional information.



**Box 1** Nonemployee compensation. Report nonemployee compensation of \$600 or more. Include fees, commissions, prizes, and awards for services performed as a nonemployee, other forms of compensation for services performed for your trade or business by an individual who is not your employee, and fish purchased for cash. Include oil and gas payments for a working interest, whether or not services are performed. Also include expenses incurred for the use of an entertainment facility that you treat as compensation to a nonemployee. Federal executive agencies that make payments to vendors for services, including payments to corporations, must report the payments in this box.

**Box 2** Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale. Checkbox indicates total sales of \$5,000 or more of consumer products to a person on a buy-sell, deposit-commission, or other commission basis for resale anywhere other than a permanent retail establishment.

**Box 4** Federal income tax withheld. Report backup withholding for individuals who have not provided their taxpayer identification number (TIN).

**Boxes 5-7** State information. These boxes are provided for your convenience only and need not be completed for the IRS. Use the state information boxes to report payment for up to two states.

Report payments of \$600 or more in nonemployee compensation.

## continued from page 8

**Box 8** Substitute payments in lieu of dividends or interest. Report aggregate payments of at least \$10 received by a broker for a customer in lieu of dividends or tax-exempt interest as a result of a loan of a customer's securities.

**Box 9 Crop insurance proceeds.** Report crop insurance proceeds of \$600 or more paid to farmers by insurance companies unless the farmer has informed the insurance company that expenses have been capitalized.

**Box 10 Gross proceeds paid to an attorney.** Report gross proceeds of \$600 or more paid to an attorney in connection with legal services (regardless of whether the services are performed for the payer).

**Box 11 Fish purchased for resale.** If you are in the trade or business of purchasing fish for resale, report total cash payments of \$600 or more paid during the year to any person who is engaged in the trade or business of catching fish. *continued on next page*  **Example:** Z Builders is a contractor that subcontracts drywall work to Ronald Green, a sole proprietor who does business as Y Drywall. During the year, Z Builders pays Mr. Green \$5,500. Z Builders must file Form 1099-NEC because they paid Mr. Green \$600 or more in the course of their trade or business, and Mr. Green is not a corporation.

o Not Staple												0	MB No. 15	545-0108
Form <b>1096</b>			Ann	ual Si						of				20
Department of the Treasu nternal Revenue Service	у			0.5	. Into	rmat	on R	eturn	S				202	22
FILER'S name														
Z Builde:	s													
Street address (incl	idina room o	suite num	her)											
123 Maple			001)											
125 Mapi	Aven	ue												
City or town, state														
	or province c		d ZIP or fo	reign nost	al code									
Oaktown,			d ZIP or fo	reign post	al code									
Oaktown,	AL 00		I ZIP or fo		ephone nu	umber			_	For	Officia	al Use	Only	
Oaktown,	AL 00		I ZIP or fo	Tele	ephone nu	umber 555–1	212		<b>`</b> ┏	For	Officia	al Use	Only	
Oaktown, Name of person to cont John Z	AL 00		I ZIP or fo	Tel	ephone nu		212			For	Officia	al Use	Only	
Oaktown, Name of person to cont John Z Email address	AL 00	000		Tel Fax	ephone nu 555–5 a number	555-1				ЦГ				Π
Oaktown, Name of person to cont John Z Email address	AL 00 act	000		Tek Fax 3 Te	ephone nu 555-5 c number otal numb		s 4 Fed	leral incom	ne tax with	iheld 5 T	otal amou	nt reported		Π
Oaktown, Name of person to cont John Z Email address 1 Employer identification of 10-999999	AL 00 act 2 Soc 29	000 cial security	y number	Fax	ephone nu 555–5 k number otal numb 1	555-1		leral incon	ne tax with	iheld 5 T		nt reported		Π
Oaktown, Name of person to cont John Z Email address 1 Employer identification 10-999999 6 Enter an "X" in only or	AL 00 act umber 2 Sor 99 e box below	DOO cial security	y number	Fax 3 To of form bei	ephone nu 555-5 a number otal numb 1 ing filed.	555–1	s 4 Fed \$			iheld 5 T \$	otal amou 5500	nt reported	with this F	Form 1096
Oaktown, Name of person to cont John Z Email address 1 Employer identification of 10-999999	AL 00 act 99 e box below 1098-C	000 cial security	y number	Fax	ephone nu 555-5 a number otal numb 1 ing filed. 1098-T	555–1 eer of form 1099-A	s 4 Fed	leral incon	ne tax with	iheld 5 T	otal amou	nt reported		Π
Oaktown ,       Name of person to cont       John Z       Email address       1 Employer identification i       10-999999       6 Enter an "X" in only or       W-26 1097-BTC 100	AL 00 act 99 e box below 1098-C	cial security to indicate 1098-E	y number the type o	Fax 3 Tr of form bei 1098-Q	ephone nu 555-5 a number otal numb 1 ing filed.	555–1	s 4 Fed \$ 1099-B	1099-C	1099-CAP	iheld <b>5</b> T \$ 1099-DIV	<sup>o</sup> tal amou 5500 1099-G	nt reported • 0 0	with this F	Form 1096
Oaktown ,       Name of person to cont       John Z       Email address       1 Employer identification i       10-999999       6 Enter an "X" in only or       W-26 1097-BTC 100	AL 00 act 99 e box below 1098-C	cial security to indicate 1098-E	y number the type o	Fax 3 Tr of form bei 1098-Q	ephone nu 555-5 a number otal numb 1 ing filed. 1098-T	555–1 eer of form 1099-A	s 4 Fed \$ 1099-B	1099-C	1099-CAP	iheld <b>5</b> T \$ 1099-DIV	<sup>o</sup> tal amou 5500 1099-G	nt reported • 0 0	with this F	Form 1096
Oaktown,       Name of person to cont       John Z       Email address       1 Employer identification in       10-999999       8 Enter an "X" in only or       W-26     109-BTC       50     8	AL 00 act 99 2 Sou 99 2 Sou 90	cial security	y number the type o 1098-F 03	Tele Fax 3 Tr 3 Tr 1098-Q 74	ephone nu 555–5 « number otal numb 1 ing filed. 1098-T 83	555-1 er of form 1099-A 80	s 4 Fed \$ 1099-B 79	1099-C 85	1099-CAP 73	iheld <b>5</b> T \$ 1099-DIV 91	otal amou 5 5 0 00 1099-G 86	nt reported • 00	1099-K 10	Form 1096
Oaktown ,       Name of person to cont       John Z       Email address       1 Employer identification i       10-999999       6 Enter an "X" in only or       W-26 1097-BTC 100	AL     OO       act     2 Soc       99     e box below       18     1098-C       78	cial security to indicate 1098-E	y number the type o 1098-F 03	Fax 3 Tr of form bei 1098-Q	ephone nu 555-5 a number otal numb 1 ing filed. 1098-T	555–1 eer of form 1099-A	s 4 Fed \$ 1099-B	1099-C	1099-CAP	iheld <b>5</b> T \$ 1099-DIV	<sup>o</sup> tal amou 5500 1099-G	nt reported • 0 0	with this F	Form 1096
Oaktown,       Name of person to cont       John Z       Email address       1 Employer identification       10-999991       6 Enter an "X" in only or       W-26     105-87       09-91     10       00-1C     100-91	AL     OO       act	cial security to indicate 1098-E 84	y number the type o 1098-F 03 1099-Q	Tele Fax 3 Tr 20f form bei 1098-Q 74	ephone nu 5 5 5 - 5 c number otal numbe ing filed. 1098-T 83 1099-R	1099-A 1099-S	s <b>4</b> Fec \$ 1099-B 79 1099-SA	1099-C 85	1099-CAP 73	iheld 5 T \$ 1099-DIV 91 3922	otal amou 5 5 0 0 1099-G 86 5498	nt reported • 00 1099-INT 92 5498-ESA	1099-K 10	1099-LS 16 5498-SA

IECIPIENT'S name     2 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale     File with File with thora dress (including apt. no.)     Service       456 Flower Lane     4 Federal income tax withheld     General in Certain	Copy A	
NetCIPIENT's name   2 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale   File with hill     dba/ Y Drywall   3   For Pri Paperwork F Notice, set of the sale set		
Ronald Green I regen made does save totaling its to doe on more of a save totaling its to doe on more of a save totaling its to doe on more of a save total s	al Revenue	
Street address (including apt. no.) Paperwork R   456 Flower Lane 4 Federal income tax withheld   City or town, state or province, country, and ZIP or foreign postal code \$	vice Center Form 1096.	
Street address (including apt. no.) 456 F10wer Lane City or town, state or province, country, and ZIP or foreign postal code \$	ivacy Act and	
4) or town, state or province, country, and ZIP or foreign postal code \$	e the current	
· · · · · · · · · · · · · · · · · · ·	tructions for	
Oaktown, AL 00000 5 State tax withheld 6 State/Paver's state no. 7 State inc	Returns.	
	ome	
	\$	
\$		
orm 1099-NEC (Rev. 1-2022) Cat. No. 72590N www.irs.gov/Form1099NEC Department of the Treasury - Internal Rev Do Not Cut or Separate Forms on This Page – Do Not Cut or Separate Forms on Thi	enue Service s Page	

- Report on Form 1099-NEC only when payments are made in the course of your trade or business.
- You are engaged in a trade or business if you operate for profit or gain.
- Nonprofit organizations are considered to be engaged in a trade or business.
- Personal payments are not reportable.

continued from page 9

**Box 12** Section 409A deferrals. This box does not have to completed. If you complete this box, enter the total amount deferred during the year of at least \$600 for the nonemployee under all nonqualified plans. The deferrals for the year include earnings for the current year and prior year deferrals.

**Box 14 Excess golden parachute payments.** Report the amount of the excess of any golden parachute payment over the base amount (the average annual compensation for services includible in the individual's gross income of the most recent five tax years).

**Box 15** Nonqualified deferred compensation. Enter all amounts deferred (including earnings on amounts deferred) that are includible in income because the nonqualified deferred compensation (NQDC) plan fails to satisfy the requirements of IRC section 409A. Do not include amounts properly reported on a Form 1099-MISC, corrected Form 1099-MISC, Form W-2, or Form W-2c for a prior year. Also, do not include amounts that are considered to be subject to a substantial risk of forfeiture.

**Boxes 16–18 State information.** These boxes may be used by payers who participate in the combined Federal/ State Filing Program and/or who are required to file paper copies of this form with a state tax department. They are provided for your convenience only and need not be completed for the IRS.