

Minimum Requirements:

The 1099-NEC Form is a multipart form: Here are the parts of the form and where to send each part:

- **Copy A** – You are responsible for filing this copy with the Internal Revenue Service (IRS). File Copy A with the IRS by Jan 31, regardless of filing by paper or electronically.
- **Copy 1/State Copy** – You are responsible for filing this copy with the appropriate state, city or local tax agency, if applicable.
- **Copy B** – You are responsible for furnishing this copy to individuals, it must be postmarked by January 31.
- **Copy 2** – You are responsible for furnishing this copy to individuals, if applicable. Individuals file this copy with their state, city or local tax return, when required. Generally, it must be postmarked by January 31.
- **Copy C** – Discontinued beginning with tax year 2024.

If any regular due date falls on a Saturday, Sunday or legal holiday, file by the next business day. You may request one non-automatic extension by submitting Form 8809 with justification. Extension requests on Form 8809 for the 1099-NEC Form must be submitted by paper and they must be postmarked by January 31 (There are limited exceptions when the IRS may grant an additional extension).

Penalties:

If you do not file correct 1099-NEC Forms by the due date, and cannot show reasonable cause, you may be subject to a penalty.

Penalties apply for:

- Not filing on time
- Including incorrect or incomplete information on 1099-NEC Form
- Filing on paper when you were required to file electronically
- Filing with a missing or incorrect recipient Taxpayer Identification Number (TIN)
- Any combination of the above

Electronic Filing:

The Taxpayer First Act, enacted by United States Congress in 2019, included regulations that reduce the electronic filing threshold from 250 to 10 informational returns (such as Forms 1099) beginning January 2024. If you file 10 or more informational returns, you must file electronically unless granted a waiver or exemption. The e-file threshold of 10 is effective for returns required to be filed on or after January 1, 2024. Any employers required to file electronically must do so unless granted a waiver by the IRS. If you file your 1099-NEC Forms electronically, the due date is generally Jan. 31. If you file electronically, you do not need to file the same returns on paper.

Common Errors on 1099-NEC Forms:

Avoid making the following errors, which cause processing delays. **Do not:**

- Leave box 1 blank, this box is required to be greater than \$0 when filling out 1099-NEC Forms
- Omit the decimal point and cents from entries. For example, 1230.00 is correct, not 1230
- Use ink that is too light to make entries – use only black ink
- Make entries that are too small or too large – use 12 point Courier font
- Add dollar signs to the money-amount boxes

1099-NEC Form Do's & Don'ts:

- DO** verify that the recipient's Taxpayer Identification Number (TIN) is correct. You must have Form W-9 Request for Taxpayer Identification Number and Certification from each recipient with the current Taxpayer Identification Number (TIN) before you complete Form 1099-NEC.
- DO** keep the data used to complete your 1099-NEC Forms (and Form 1096, if applicable) for four years.
- DO** be sure to report the correct payment amount in box 1, because the IRS uses this information to determine whether the recipient has properly reported the payment.
- DO** use official IRS forms or substitute forms that meet the specifications in Publication 1179. If you submit forms that do not meet the current specifications or that are not scannable, you may be subject to a penalty for each return for improper format. The amount of the penalty is based on when you file the correct information return.
- DO NOT** staple, tear or tape 1099-NEC Forms to each other. It will interfere with the IRS's ability to scan the documents.
- DO NOT** submit any copy other than Copy A to the IRS.
- DO NOT** use Form W-9 and Form 1099-NEC to report employee wages. Use Form W-4 and Form W-2 to report employee wages.