What to do about Tax 1099 Season for 2022

Bill and Tax1099
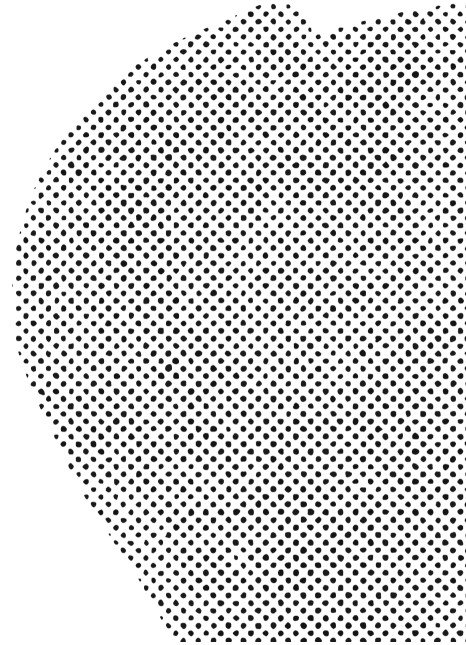
What best describes you?

A)   I am an Existing user of both BILL and Tax1099

B)   I use Tax1099 User but not BILL

C)   I use BILL but not Tax1099

D)   I am new to both Tax1099 and BILL

Meet Your Instructors

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Agenda

- Review the Basics for 1099 Filing
  - 1099-NEC and 1099-MISC basics
  - Preventing 1099 penalties
- What to know about electronic delivery of recipient form copies
- How to prepare your 1099
  - Review your 1099 vendor categories
  - Assign bills to 1099 expense categories
  - Option 1: Exporting your 1099 data in Bill via CSV
  - Option 2: Leverage the Bill integration with Tax1099

Review the Basics for 1099 Filing

1099-NEC and 1099-MISC Reporting

- Report only payments made in the course of your trade or business

- Vendor/Contractor – not Employee

Who sends a 1099-NEC or 1099-MISC?

- Businesses

- Nonprofits

- Trusts of qualified pension or profit-sharing plans

- Organizations exempt from tax under 501(c)/(d)

- Farmers' cooperative exempt under section 521

- Widely held fixed investments trusts

- Federal, state, local governments

Payment types*

- Nonemployee compensation (1099-NEC)

- Rents (1099-MISC)

- Royalties (1099-MISC)

- Gross proceeds paid to an attorney (1099-MISC)

- Medical payments (1099-MISC)

- Other income (1099-MISC)

- Crop insurance proceeds (1099-MISC)

- Fishing boat proceeds (1099-MISC)

- Payments in lieu of dividend/interest (1099-MISC)

- Excess golden parachute payments (1099-MISC)

Thresholds

- $10 – Box 2 (royalties) and Box 8 (payments in lieu of dividends or interest)

- $600 – Other payments on 1099-MISC

- $600 – Nonemployee compensation on 1099-NEC

Exceptions

- Generally, corporations

- Merchandise, telegrams, telephone, freight, storage, and similar items

- Rent to real estate agents

- Wages, business travel allowances, anything on a W-2

- Payments made to tax exempt organization, United States, a state, DC, US possession, foreign government

- HFA Hardest Hit Fund, Emergency Homeowners' Loan Program, or similar state program

1099-K

- For tax year 2022, the threshold will remain 200 transactions AND $20,000

- Credit card, payment card, third party network transactions

- Sent by the card company, bank, or other settlement entity

- Generally, if a payment processor issues 1099-K for a payment, the Payer does not need to issue a 1099-NEC or 1099-MISC

- Effective for next tax year 2023, the threshold for 1099-K forms will be $600

Best Practices – New Payees / Vendors

- Collect W-9 immediately

- Store W-9 for future reference

- Initiate withholding immediately for Payees / vendors who refuse to provide a TIN

- Verify TIN and name combination through the IRS or a third party that uses the IRS TIN Match database

- Validate the TIN and name combination before issuing payment

Deadlines for 2022 – for 1099-NEC

Box 1 Amount Due Dates

Item	2022 Forms Due Date
Recipient copies (postmarked or E-delivered)	1/31/2023
Paper transmittal copies to IRS	1/31/2023
E-filed IRS returns	1/31/2023

b

Deadlines for 2022 – for 1099-MISC

Other Box Amount Due Dates

Item	2022 Forms Due Date
Recipient copies (postmarked or E-delivered)	1/31/2023
Paper transmittal copies to IRS	2/28/2023
E-filed IRS returns	3/31/2023

Penalties - increased

Penalty Reason	Penalty Amount per Form	Maximum Penalty*
Fail to file or furnish within 30 days of deadline	$50	$588,500
Fail to file or furnish by August 1	$110	$1,766,000
Fail to file or furnish	$290	$3,532,500
Intentional Disregard	$580	NO LIMIT

*Businesses with under $5,000,000 gross receipts have smaller maximums.

Don't forget about the states!

- Many states participate in the Combined Federal/State Filing (CFSF) program for 1099-MISC, 1099-NEC, and other 1099 forms

- If you e-File, most e-File providers will notify the IRS to send both IRS and state copies for CFSF states for 1099-MISC and 1099-NEC

- Paper filers must send to CFSF states themselves.

- States that do not participate in the CFSF program have individual rules that vary widely.

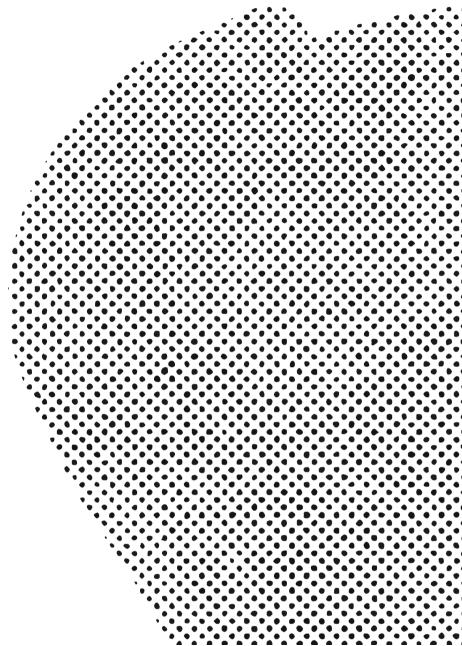- State guidance can continue to change, even into the January filing season

What to know about Electronic delivery of recipient form copies
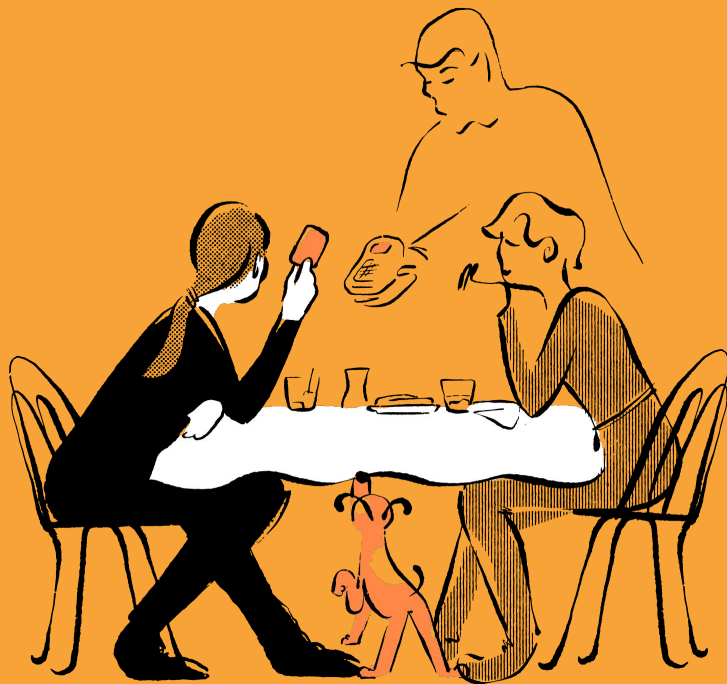
Do you or your clients deliver 1099, W-2, or other forms electronically?

A) Yes we send employees and contractors their W-2 and 1099 forms virtually

B) No we send these forms via paper mail

Basic Information

- The IRS allows E-delivery as a substitute method for providing recipient statements
- The recipient must consent to receive the statement electronically
- Many forms Payees receive are substitute statements, even if they are delivered via paper

Consent Requirements

- Recipient must consent in the affirmative

- Consent must be made electronically* *recomended to be explicit for acceptance of electronic delivery

- Notify recipient of any hardware or software changes prior to providing the statement

- New consent required after new hardware or software installed

Best Practices – E-Delivery

- Retain all consent
- Outline procedures to consent and withdraw consent
- Keep contact information up to date on statements
- Maintain paper copies to send when needed
- Provide forms in a timely manner

How many 1099 forms does your organization still need to file this year?

A)   1-10

B)   11-100

C)   101-500

D)   501+
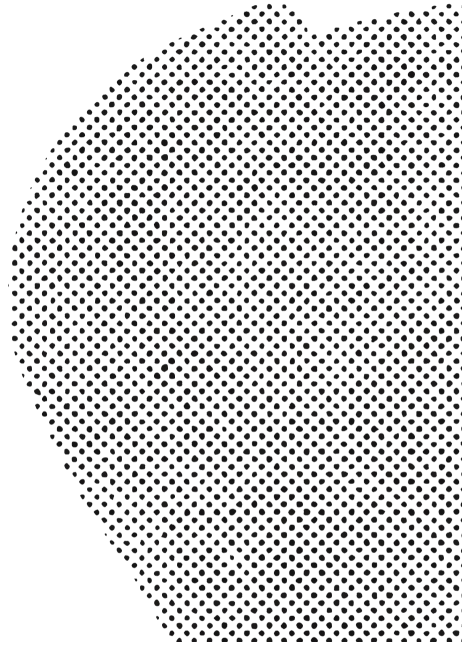
Review your Options to run 1099 Reports

- A): Exporting your 1099 data in Bill via CSV

- B): Leverage the Bill integration with Tax1099
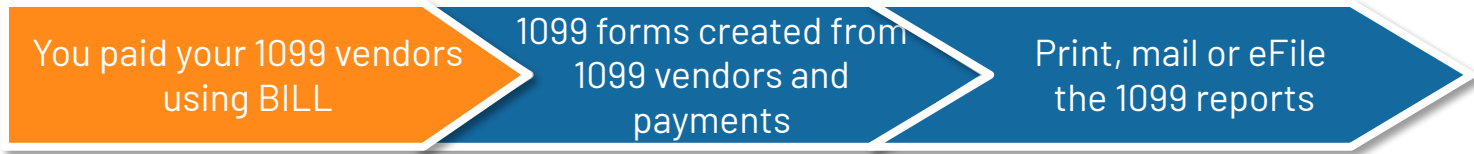
Option 1) Export 1099 Vendor and Payment Reports in Bill

Demo Exporting 1099 info from Bill

Option 2) File your 1099s easily with Award-Winning IRS-Authorized e-Filing Platform Tax1099.com

Tax 1099: eFile or mail your 1099s easily

| You paid your 1099 vendors using BILL | 1099 forms created from 1099 vendors and payments | Print, mail or eFile the 1099 reports |

bill + **tax1099.com**

- Bring qualified vendors and payments into Tax1099.com, and easily review and correct information.

- Create, send, and e-file your 1099s with ease.

- Eliminate clerical work, manual data entry, and reduce potential errors.

Tax1099 Demonstration
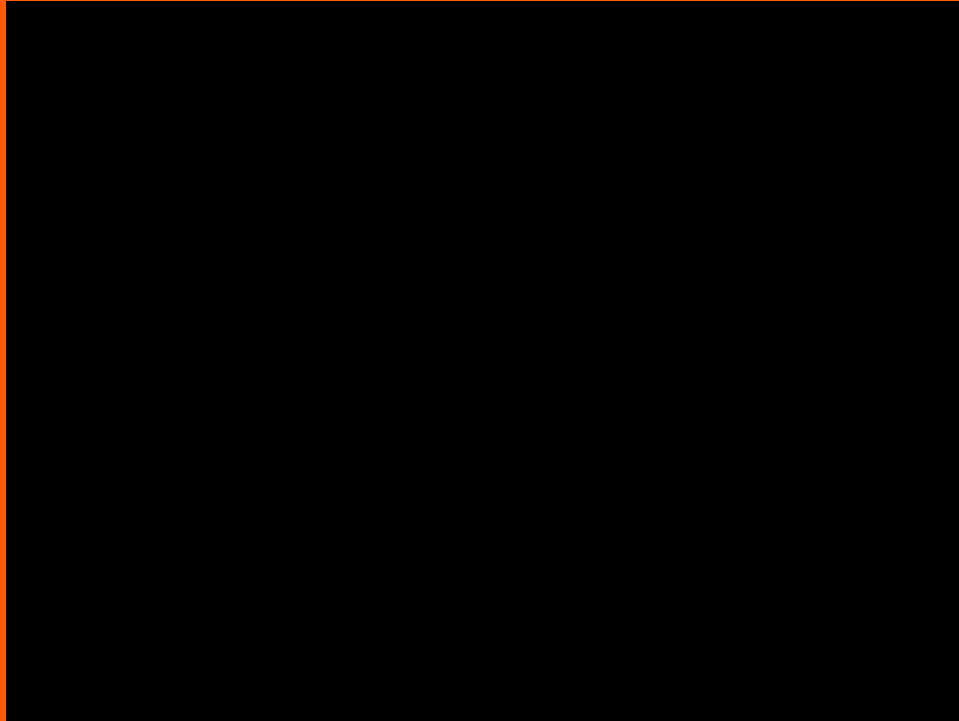
Tax 1099 Pricing

1099 Form	Pricing
Price per Form	01 – 10: $2.99 11 – 150: $1.99 151 – 500: $1.19 501+: $0.69
E-mail PDF to Recipient	Included
Scheduled e-File	Included
Tax 1099 E-mail and Chat support	Included
Integration with BILL (no double entry)	Included
Mailing	$1.75 per form

Questions & Answers

References – BILL

- [Accessing your 1099 Tax Form](#)
- [FAQ for BILL and Tax1099](#)
- [1099 Filing](#)
- [Connect BILL with Tax 1099](#)

References - Form Instructions

- 1095-A
- 1095-B
- 1095-C
- 1099-NEC and 1099-MISC
- 1099-INT
- 1099-DIV
- 1099-PATR
- 1099-OID
- 1099-B
- W-2G
- 1099-K

References - Other

- [1281 – Backup Withholding for Missing and Incorrect Name/TIN(s)](#)
- [1220 – Specifications for Electronic Filing of Forms](#)
- [1179 – General Rules and Specifications for Substitute Forms 1096, 1098, 1099, 5498, and Certain Other Information Returns](#)
- [General Instructions for Certain Information Returns](#)

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Thanks!