



1099 e-Filing with Tax1099 & Bill.com

Webinar

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Meet Your Instructors



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Agenda

- 1099 Quick Refresher
 - 1099-NEC and 1099-MISC basics
 - Preventing 1099 penalties
 - Electronic delivery of recipient form copies
- Before you start
 - Review your 1099 vendors
 - Assign your vendor payments to 1099 categories
- Preparing your 1099-NEC and 1099-MISC forms
 - Option 1: Exporting your 1099 data via CSV
 - Option 2: Bill.com integration with Tax1099
- Demo: Bill.com 1099
- Demo: using Tax1099 to eFile and deliver your 1099s easily
- Q&A

1099 Quick Refresher

Big Change for the 2020 Tax Year!

- 1099-NEC (nonemployee compensation) replaces box from the previous version of the 1099-MISC
- If you previously only reported on box 7 of 1099-MISC, you will now only report in box 1 of the 1099-NEC
- If you previously only reported on box 7 and other boxes of 1099-MISC, you will now only report in both the 1099-NEC and the 1099-MISC
- Some box numbers on the 1099-MISC will change

But Why??

- PATH Act of 2015
 - Fraud prevention
 - Escalated filing date for NEC and W2
- Reverting to an old form to prevent confusion over the different due dates
- 1099-NEC existed prior to 1983

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

- Any amount – Box 5 (fishing boat proceeds)
- \$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

- Credit card, payment card, third party network transactions
- Sent by the card company, bank, or other settlement entity
- Do not include credit card payments on your 1099-NEC or 1099-MISC forms

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 2020 – for 1099-NEC

Item	2020 Forms Due Date
Recipient copies (postmarked or E-delivered)	2/1/2021
Paper transmittal copies to IRS	2/1/2021
E-filed IRS returns	2/1/2021

Deadlines for 2020 – for 1099-MISC

Other Box Amount Due Dates

Item	2020 Forms Due Date
Recipient copies (postmarked or E-delivered)	2/1/2021
Paper transmittal copies to IRS	3/1/2021
E-filed IRS returns	3/31/2021

Penalties - increased

Penalty Reason	Penalty Amount per Form	Maximum Penalty*
Fail to file or furnish within 30 days of deadline	\$50	\$556,000
Fail to file or furnish by August 1	\$110	\$1,669,000
Fail to file or furnish	\$280	\$3,392,000
Intentional Disregard	\$560	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.
- NOTE: the 1099-NEC is not included in CFSF, at least for the 2020 tax year.
- 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.
- Paper filers must send to CFSF states themselves.
- States that do not participate in the CFSF program have individual rules that vary widely.
- Some states have not provided guidance on 1099-NEC filing requirements.

Electronic delivery of recipient form copies

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

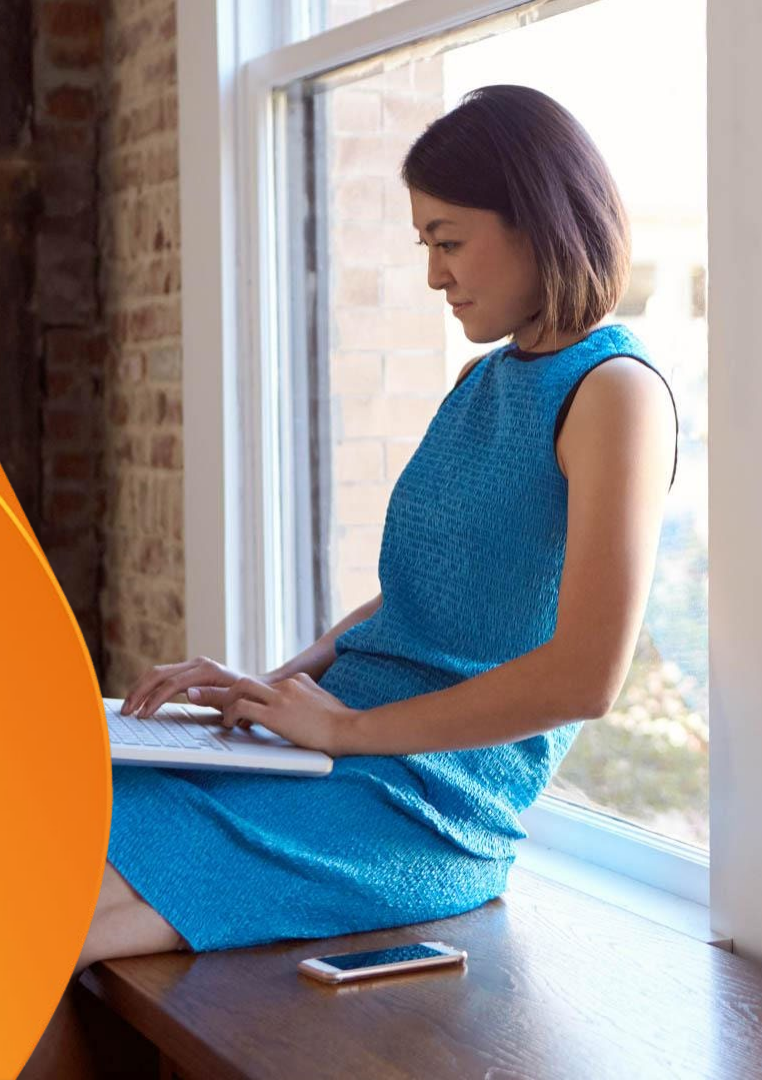
- Recipient must consent in the affirmative
- Consent must be made electronically
- Notify recipient of any hardware or software changes prior to providing the statement
- New consent required after new hardware or software installed

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

bill.com

1099 Vendors in Bill.com



Review your 1099 vendors

✕ Edit vendor Save ?

FIRST NAME	LAST NAME
VENDOR DESCRIPTION This info is only visible to you and your team.	
ADDITIONAL INFORMATION	
TAX ID 123456789	1099 VENDOR Yes
VENDOR SINCE Enter year vendor started	LEAD TIME DAYS
COMBINE PAYMENTS Yes	PAYMENT TERMS Net 30
COMPANY NAME	BILL SYNC PREFERENCES Sync Bills

Your vendors should be marked as 1099, have the Tax Id and email or mailing address entered.

- Select your vendor, and then edit
- Enter Tax Id.
- Select 1099 Vendor.
- Also enter your vendor's email to eFile or mailing address otherwise.
- Click Save.
- Repeat for each 1099 vendor.

Typically, 1099 vendors are contractors, sub-contractors, freelance workers, or other non-employees. If you paid them \$600 or more in compensation in 2019, you may need to provide them with Form 1099-MISC and report the payments to the IRS.

Assign vendor payments to 1099 categories

Chart of Accounts


ACCOUNT NUMBER

* NAME

* TYPE

PARENT

DESCRIPTION

1099 CATEGORY 

INTEGRATION ID


Map your expense accounts

- In Bill.com, hover over the gear icon, and then click Settings
- Under Accounting, click Chart of Accounts
- Select one of the accounts you'll be mapping, and click the edit icon
- Select the applicable category from the 1099 Category drop-down
- Click Save
- Repeat for all expense accounts that apply to a 1099 category.

Assign vendor payments to 1099 categories

× Edit Bill #Invoice 123 Save ?

To create a bill, enter details on the right.



Have an invoice or supporting docs?
Drag and drop here, or

[Browse your computer](#)

BILL SUMMARY

Whitney Karanam
P.O. Box 911, Palo Alto, CA, 94306
whitneykaranam@hq.bill.com
Last 5 Bills ▾

Vendor Balance
USD 5.39K

VENDOR NAME *
Whitney Karanam 🔍

INVOICE NUMBER *
Invoice 123

EXPENSES USD 2,200.00 **ITEMS USD 0.00** Remove

ACCOUNT	AMOUNT	DESCRIPTION	LOCATION	CLASS	<input type="checkbox"/>
Legal & Professional Fees ▾	USD 1,200.00	Professional Services for period ending this month. Process payroll; cash proj	Houston!	General and Admin ▾	<input type="checkbox"/>
Job Materials ▾	USD 1,000.00		Houston!	General and Admin ▾	<input type="checkbox"/>

1-2 of 2 < >

It's very important to map your expense account to the correct 1099 category so the vendor payments are automatically populated to the right boxes in the Tax1099 app.

Also note that if you pay a vendor \$1,200 for labor and \$1,000 for materials / equipment, map only the expense account you used to pay for labor.

Typically, payments to contractors / individuals not classified as employees are reported to "Box 7: Nonemployee Compensation", but you may have to report payments for Rents, Royalties, etc. Always check with your accountant or tax consultant to be sure.



Option 1

Filing 1099 Manually by Exporting via .CSV




Export your 1099 vendors via CSV

Import / Export

[Import / Export](#) | [Preferences](#) | [Import History](#) | [Export History](#)

Your Accounting Software QuickBooks Online (Change)

 If you use an accounting system that syncs with us, set up the sync before importing your records. Do not use our import to bring in new information if it already exists in your accounting system, or it will be duplicated when you sync.

Import to Bill.com using .csv files. [Learn more](#)

ENTITY	IMPORT RECORDS FROM .CSV FILES	EXPORT RECORDS TO .CSV FILES	MOST RECENT EXPORT DATE
Vendors	Import	Export All Filter	--
Customers	Import	Export All Filter	--
Accounts	Import	Export All Filter	--

First, export your vendor list

- Hover over the gear icon, and then click Settings
- Click Import/Export, and then click Vendors: Export All
- Filter out your non-1099 vendors from the vendor export report.
- Deselect all vendors marked No in the 1099 column. The result is your 1099 Vendor List.

B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Vendor N	Vendor Id	Name on	Company	Tax ID	1099 Ven	Payment	address2	address3	address4	City	State / Pr	ZIP / Post	Country	
BBB Apples Cooperative				123456789	Yes	1810 Embarcadero Road f				Palo Alto	CA	94401	US	
Dade County Fruit				987654321	Yes	262 Crandon Xero contact1 update				Key Biscayne	FL	33149	US	
NewAge IT		NewAge IT		567891234	Yes	21 #204				sanm	CA	94030	US	a
Pro Data Services				123456789	Yes	1610 Embarcadero				Palo Alto	CA	94303	US	
Whitney Karanam		Whitney Karanam		876543219	Yes	3200 Ash Street				Palo Alto	CA	94025	US	

Export your 1099 payment information via CSV

Export Reports

Payables Cash Details Export



Payables Cash Details Export

DATE RANGE Custom

* START DATE 01/01/20

* END DATE 12/31/20

* FILTER BY Transaction Date

VIEW

DOWNLOAD

BACK

Now export your bills and payments

- Click the Reports tab
- Under the Export Reports section, click Payables Cash Details Export.
- Select the date range as "Last year", click Download.
- If you have over 5,000 transactions, you will need to run smaller data ranges.

Export 1099 payment information via CSV

To view and filter necessary information on the CSV file:

- Open the CSV file in Microsoft Excel.
- Add filter by clicking "Data -> Filter" or clicking the "funnel" icon
- For **Vendor 1099** select to view only **Yes**
- For **Dist Type**, select to view only **6**.
- The resulting list is your 1099 Vendor Payments and the expense accounts of the corresponding bills paid last year.

Bill Date	Payment	Vendor N	Vendor 1099	Ref Num	Payment	Total Pay	Account N	Bill D	Dist Type	Debit	Credit	
8/22/15	9/23/15 -	EZ Legal Serv	TRUE	Jul-15	P15092201 -	2000 -	Legal and Pro	-	-	6	2000	0
6/22/15	9/23/15 -	EZ Legal Serv	TRUE	Jun-15	P15092201 -	3000 -	Legal and Pro	-	-	6	3000	0
9/22/15	9/29/15 -	EZ Legal Serv	TRUE	Aug-16	P15092201 -	2000 -	Legal and Pro	-	-	6	2000	0
9/7/15	10/7/15 -	Offteam	TRUE	123 - Sep 15	P16012001 -	2200 -	Job Material	-	-	6	1000	0
9/7/15	10/7/15 -	Offteam	TRUE	123 - Sep 15	P16012001 -	2200 -	Legal and Pro	-	-	6	1200	0
10/5/15	11/13/15 -	EZ Legal Serv	TRUE	Oct-15	P16012001 -	3000 -	Legal and Pro	-	-	6	3000	0
7/1/15	11/20/15 -	Whitney Kar	TRUE	Jul-15	P16012001 -	3900 -	Legal and Pro	-	-	6	3900	0

To match the payments export to your 1099 Vendor list, we recommend the Excel vlookup function.

Export 1099 payment information via CSV

To sum the total amount paid per vendor, create a simple pivot table:

- Open the CSV download in Microsoft Excel.
- Click to create a new Pivot table based on the data exported
- Add filter for Vendor 1099 and select True
- Add filter for Dist Type and select 6.
- Drag the Vendor Name to the Row Labels
- Drag the Total Payment Amount to Sum Values.
- The resulting list is the total Payments made per 1099 vendor.

The screenshot shows an Excel spreadsheet with a PivotTable and the PivotTable Builder task pane. The PivotTable is located in cells D4:E6 and has the following data:

Sum of Total Payment Amount	Total
EZ Legal Services Co.	10000
Whitney Karanam	3900
Grand Total	13900

The PivotTable Builder task pane is open on the right, showing the following configuration:

- Field name:** Bill Date, Payment Date, Vendor Id, Vendor Name, Vendor 1099 (checked)
- Report Filter:** Vendor 1099, Dist Type
- Column Labels:** (Empty)
- Row Labels:** Vendor Na...
- Values:** Sum of Tot...

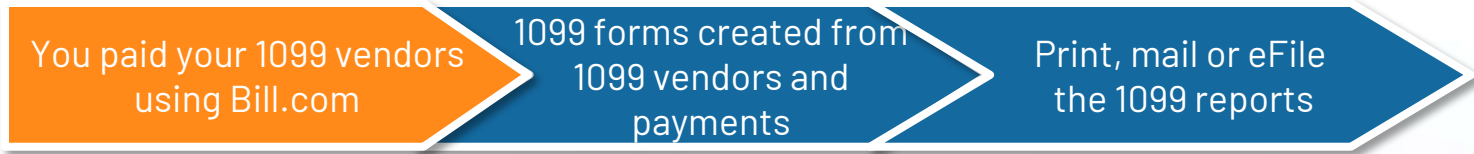
Option 2

File your 1099s easily with Tax 1099



Tax 1099: eFile or mail your 1099s easily

bill.com



bill.com



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.

Connect with Tax1099 from our App Center

What are Apps?

Bill.com Apps streamline your workflow by bringing together your business tools, from expense management to accounting software.

We are working closely with our partners to solve your most common business needs, so all Apps have been reviewed and approved by us!



ACCOUNTING SOFTWARE



QuickBooks Online

Pay bills and get paid - everything is kept in sync.

CONNECTED

DOCUMENT WORKFLOW



Hubdoc

Your online bills and statements into Bill.com. Automatically.

DOCUMENT WORKFLOW



Earth Class Mail

Postal mail scanned to your Bill.com Inbox.

EXPENSE MANAGEMENT



Tallie

Turn your expense reports into bills, ready to be paid.

EXPENSE MANAGEMENT



Expensify

Intelligent receipt automation and expense management

TAXES



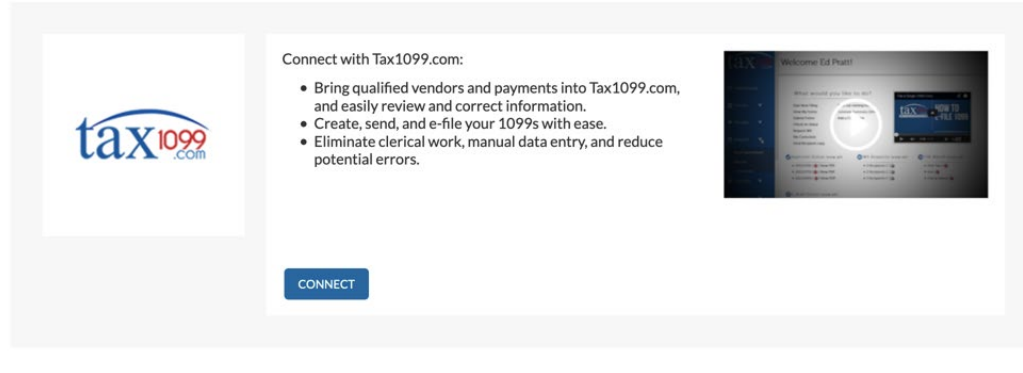
Tax1099.com

An automated, paperless, and painless way to e-file 1099s.

- Hover over the gear icon, and then click App Center
- Click Tax1099.com

Connect with Tax1099 from our App Center

Tax1099.com Setup



- On the Tax1099.com app, click Connect
- If you haven't used Tax1099 before, create an account here. Otherwise, log in.

Review 1099 Data Loaded in Tax 1099 and Send Forms

tax1099.com

logged in as: ogawm@bill.com
Account Type: Essential | Upgrade
My Profile | Settings | Logout

Bill.com Companies

Dashboard > Bill.com Companies

1 Bill Details 2 Edit Data 3 Preview Form

Select a Company

Company:

Tax Year:

- In Tax1099, select a Bill.com company and tax year, and click Load Data.
- Your Bill.com 1099 info will appear.
- Review / edit, then click Checkout.
- Select how the 1099 is going to be sent to the recipient, verify the address(es), and click Save List
- Enter your payment information, and click Pay & Submit to e-file

Tax 1099 Pricing

1099 Form	Pricing
Price per Form	01 – 10: \$2.90 11 – 100: \$1.90 101 – 500: \$0.90 501+: \$0.55
E-mail PDF to Recipient	Included
Scheduled e-File	Included
Tax 1099 E-mail, Phone and Chat support	Included
Integration with Bill.com (no double entry)	Included
Mailing	\$1.50 per form

References – Bill.com

- [Accessing your 1099 Tax Form](#)
- [FAQ for Bill.com and Tax1099](#)
- [1099 Filing](#)
- [Connect Bill.com 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](#)



Thanks!