



MEMO

To: BMOA Branch Treasurers
From: Angela Larson, Controller, and
Tony DiFilippo, Branch Financial Administrator
Date: January 5th, 2021
Subject: Sending 1099s to Contractors

FORM 1099 and 1096 FILING REQUIREMENTS: WHAT YOU NEED TO KNOW

IRS Form 1099 is an “information returns” that not-for-profit organizations are required to file annually with the IRS *and* to issue to certain businesses/individuals who are paid by the ESU more than \$600 in the calendar year. The most common is the Form 1099-MISC, Miscellaneous Income, which is the form we expect will work for most of the ESU Branches. *By IRS rules, the 1099s are to be mailed by January 31st, 2021 to the vendor and the IRS.*

IRS Form 1096 is a summary and transmittal tax form that gives the IRS information on the 1099 MISC your Branch sent out to businesses/individuals.

WHO SHOULD RECEIVE A FORM 1099-MISC:

Any *unincorporated* vendors or individuals who received payments that totaled \$600 or more in calendar year 2020. In addition, payments to an attorney or law firm for legal services must be reported on a Form 1099-MISC, regardless of whether the attorney or law firm is incorporated or not.

Examples include; independent contractors/consultants, web designers, accountants, repairmen, cleaning services, landlords, or other forms of compensation to persons not treated as employees for services rendered for your ESU branch.

Also, recipients of payments made to individuals for prizes and awards greater the \$600 must be issued a 1099.

The only exceptions is for payments made electronically (e.g., with a credit or debit card or with PayPal). The bank or third-party payment provider is required to report those transactions.

FORM PREPARATION:

All the necessary information is collected from the vendor by requesting a Form W-9 prior to any payments of greater than \$600 are paid (This is a great best practice for all branches to have). If the collection of a FormW-9 didn't happen before payment, it is time to request a Form W-9 from the vendor now (please use attached Form W-9).

From the Form W-9 information, fill out the Forms 1099 including; recipient's name, taxpayer identification number, and a mailing address.

Per IRS instructions, single-member LLC' treated as a disregarded entity (this is the ESUUS branch structure) are required to include both the ESUUS National name and the ESU Branch's name on the Payer's name box of the form. The Branch' address should be used in the Payer's name box so correspondence can be sent directly to the Branch. The Payers TIN box should be the ESUUS' National Federal Employer Identification Number which is 13-1623995.

For Example: Form 1099-MISL

9595 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED				OMB No. 1545-0115		Miscellaneous Income
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. English-Speaking Union of the United States ESU Branch Name ESU Branch Address ESU Branch City, State, Zip		1 Rents amount of rent paid in 2020 \$ N/A	2 Royalties \$ N/A	2020		
PAYER'S TIN 13-1623995		RECIPIENT'S TIN from recipient W-9		3 Other income amount paid for services in 2020 \$ N/A	4 Federal income tax withheld \$ N/A	Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2020 General Instructions for Certain Information Returns.
RECIPIENT'S name Recipient business or individuals name from W-9		5 Fishing boat proceeds \$ N/A	6 Medical and health care payments \$ N/A	7 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	8 Substitute payments in lieu of dividends or interest \$ N/A	
Street address (including apt. no.) Recipient business or individuals address from W-9		9 Crop insurance proceeds \$ N/A	10 Gross proceeds paid to an attorney amount paid to attorney's and law firms in 2020 \$ N/A	11 City or town, state or province, country, and ZIP or foreign postal code Recipient business or individuals city, state, zip from W-9		
Account number (see instructions) N/A	FATCA filing requirement <input type="checkbox"/>	2nd TIN not <input type="checkbox"/>	13 Excess golden parachute payments \$ N/A	12 Section 409A deferrals \$ N/A		
		14 Nonqualified deferred compensation \$ N/A	15 State tax withheld \$ N/A		16 State/Payer's state no. N/A	
				17 State income \$ N/A		

Form 1099-MISC Cat. No. 14425J www.irs.gov/Form1099MISC Department of the Treasury - Internal Revenue Service
Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

Form 1096 - Annual Summary and Transmittal of U.S. Information Returns

The 1096 is a form you send to the IRS along with a copy of all the 1099s you issued. As with the 1099s, both the ESUUS' name and the Branch's name are included on the Filer's name box of the form. The Branch' address should be used in the Filer's name box so correspondence can be sent directly to the Branch. The Employers Identification Number (Box 1) should be the ESUUS' Federal Employer Identification Number.

In box 3, enter the total number of form 1099-MISC you are submitting with the 1096. In box 4, enter the total federal income tax withheld on all the forms you are submitting. If you didn't withhold any federal income tax, enter a zero. In box 5, enter the total amount of reported payments on all the 1099 MISC forms you submitted. And under box 6, enter an X in the 1099-MISC 95.

Add the Branch Treasure's or Presidents name, phone number and email address in the applicable boxes (see below image).

Do Not Staple 6969

Form **1096** Annual Summary and Transmittal of U.S. Information Returns OMB No. 1545-0108
 Department of the Treasury Internal Revenue Service **2020**

FILER'S name
 English-Speaking Union of the United States
 ESU Branch Name
 Street address (including room or suite number)
 ESU Branch Address
 City or town, state or province, country, and ZIP or foreign postal code
 ESU Branch City, State, Zip

Name of person to contact Telephone number
 Branch Treasurer's name or President's name Branch Treasurer's or President's phone number
 Email address Fax number
 Branch Treasurer's email or President's email Branch FAX number if available

For Official Use Only

1 Employer identification number 2 Social security number 3 Total number of forms 4 Federal income tax withheld 5 Total amount reported with this Form 1096
 13-1623995 N/A # of 1099s issued \$ N/A \$ total of all 1099s box 1, 3, & 10

6 Enter an "X" in only one box below to indicate the type of form being filed.

W-2G 32	1097-BTC 50	1098 81	1098-C 78	1098-E 84	1098-F 03	1098-Q 74	1098-T 83	1099-A 80	1099-B 79	1099-C 85	1099-CAP 73	1099-DIV 91	1099-G 86	1099-INT 92	1099-K 10	1099-LS 16
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1099-LTC 93	1099-MISC 95	1099-NEC 71	1099-OID 96	1099-PATR 97	1099-Q 31	1099-QA 1A	1099-R 98	1099-S 75	1099-SA 94	1099-SB 43	3921 25	3922 26	5498 28	5498-ESA 72	5498-QA 2A	5498-SA 27
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Return this entire page to the Internal Revenue Service. Photocopies are not acceptable.

Under penalties of perjury, I declare that I have examined this return and accompanying documents and, to the best of my knowledge and belief, they are true, correct, and complete.

Signature ► Treasurer or President's signature Title ► Title of person signing Date ► date signed

FILING DEADLINES:

The IRS states that one copy of Form 1099 to the recipient and one to the IRS is required by 1/31/2021.

Also send copies to branchfinance@esuus.org and we will save it for your Year-end Form 990.

If you have any questions, please give me a call on 212-818-1200 ext. 228, or email at adifilippo@esuus.org.



Instructions for Forms 1099-MISC and 1099-NEC

Miscellaneous Income and Nonemployee Compensation

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Forms 1099-MISC and 1099-NEC and their instructions, such as legislation enacted after they were published, go to [IRS.gov/Form1099MISC](https://www.irs.gov/Form1099MISC) or [IRS.gov/Form1099NEC](https://www.irs.gov/Form1099NEC).

What's New

Form 1099-NEC. The PATH Act, P.L. 114-113, Div. Q, sec. 201, accelerated the due date for filing Form 1099 that includes nonemployee compensation (NEC) from February 28 to January 31 and eliminated the automatic 30-day extension for forms that include NEC. Beginning with tax year 2020, use Form 1099-NEC to report nonemployee compensation.

See part C in the 2020 General Instructions for Certain Information Returns, and Form 8809, for extensions of time to file. See part M in the 2020 General Instructions for Certain Information Returns for extensions of time to furnish recipient statements.

Redesigned Form 1099-MISC. Due to the creation of Form 1099-NEC, we have revised Form 1099-MISC and rearranged box numbers for reporting certain income.

Changes in the reporting of income and the form's box numbers are listed below.

- Payer made direct sales of \$5,000 or more (checkbox) in [box 7](#).
- Crop insurance proceeds are reported in [box 9](#).
- Gross proceeds to an attorney are reported in [box 10](#).
- Section 409A deferrals are reported in [box 12](#).
- Nonqualified deferred compensation income is reported in [box 14](#).
- [Boxes 15, 16, and 17](#) report state taxes withheld, state identification number, and amount of income earned in the state, respectively.

Reminders

General instructions. In addition to these specific instructions, you should also use the 2020 General Instructions for Certain Information Returns. Those general instructions include information about the following topics.

- Who must file.
- When and where to file.
- Electronic reporting.
- Corrected and void returns.
- Statements to recipients.
- Taxpayer identification numbers (TINs).
- Backup withholding.

- Penalties.
- The definitions of terms applicable for chapter 4 purposes that are referenced in these instructions.
- Other general topics.

You can get the general instructions from [General Instructions for Certain Information Returns](#) at [IRS.gov/1099GeneralInstructions](https://www.irs.gov/1099GeneralInstructions) or go to [IRS.gov/Form1099MISC](https://www.irs.gov/Form1099MISC) or [IRS.gov/Form1099NEC](https://www.irs.gov/Form1099NEC).

Online fillable copies. To ease statement furnishing requirements, Copies B, C, 1, and 2 have been made fillable online in a PDF format available at [IRS.gov/Form1099MISC](https://www.irs.gov/Form1099MISC) and [IRS.gov/Form1099NEC](https://www.irs.gov/Form1099NEC). You can complete these copies online for furnishing statements to recipients and for retaining in your own files.

Filing dates. Section 6071(c) requires you to file Form 1099-NEC on or before February 1, 2021, using either paper or electronic filing procedures. File Form 1099-MISC by March 1, 2021, if you file on paper, or March 31, 2021, if you file electronically.

Specific Instructions for Form 1099-MISC

File Form 1099-MISC, Miscellaneous Income, for each person in the course of your business to whom you have paid the following during the year:

- At least \$10 in royalties (see the [instructions for box 2](#)) or broker payments in lieu of dividends or tax-exempt interest (see the [instructions for box 8](#)).
- At least \$600 in:
 1. Rents ([box 1](#));
 2. Prizes and awards ([box 3](#));
 3. Other income payments ([box 3](#));
 4. Generally, the cash paid from a notional principal contract to an individual, partnership, or estate ([box 3](#));
 5. Any fishing boat proceeds ([box 5](#));
 6. Medical and health care payments ([box 6](#));
 7. Crop insurance proceeds ([box 9](#));
 8. Payments to an attorney ([box 10](#)) (see [Payments to attorneys](#), later);
 9. Section 409A deferrals ([box 12](#)); or
 10. Nonqualified deferred compensation ([box 14](#)).

You must also file Form 1099-MISC for each person from whom you have withheld any federal income tax (report in [box 4](#)) under the backup withholding rules regardless of the amount of the payment.



Be sure to report each payment in the proper box because the IRS uses this information to determine whether the recipient has properly reported the payment.

Trade or business reporting only. Report on Form 1099-MISC only when payments are made in the course of your trade or business. Personal payments are not reportable. You are engaged in a trade or business if you operate for gain or profit. However, nonprofit organizations are considered to be engaged in a trade or business and are subject to these reporting requirements. Other organizations subject to these reporting requirements include trusts of qualified pension or profit-sharing plans of employers, certain organizations exempt from tax under section 501(c) or (d), farmers' cooperatives that are exempt from tax under section 521, and widely held fixed investment trusts. Payments by federal, state, or local government agencies are also reportable.

Exceptions. Some payments do not have to be reported on Form 1099-MISC, although they may be taxable to the recipient. Payments for which a Form 1099-MISC is not required include all of the following.

- Generally, payments to a corporation (including a limited liability company (LLC) that is treated as a C or S corporation). However, see [Reportable payments to corporations](#), later.
- Payments for merchandise, telegrams, telephone, freight, storage, and similar items.
- Payments of rent to real estate agents or property managers. However, the real estate agent or property manager must use Form 1099-MISC to report the rent paid over to the property owner. See Regulations sections 1.6041-3(d), 1.6041-1(e)(5), Example 5, and the instructions for [box 1](#).
- Wages paid to employees (report on Form W-2, Wage and Tax Statement).
- Military differential wage payments made to employees while they are on active duty in the Armed Forces or other uniformed services (report on Form W-2).
- Business travel allowances paid to employees (may be reportable on Form W-2).
- Cost of current life insurance protection (report on Form W-2 or Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.).
- Payments to a tax-exempt organization including tax-exempt trusts (IRAs, HSAs, Archer MSAs, Coverdell ESAs, and ABLE (529A) accounts), the United States, a state, the District of Columbia, a U.S. possession, or a foreign government.
- Payments made to or for homeowners from the HFA Hardest Hit Fund or similar state program (report on Form 1098-MA).
- Compensation for injuries or sickness by the Department of Justice as a public safety officer disability or survivor's benefit, or under a state program that provides benefits for surviving dependents of a public safety officer who has died as the direct and proximate result of a personal injury sustained in the line of duty.
- Compensation for wrongful incarceration for any criminal offense for which there was a conviction under federal or state law. See section 139F, Certain amounts received by wrongfully incarcerated individuals.

Form 1099-K. Payments made with a credit card or payment card and certain other types of payments, including

third-party network transactions, must be reported on Form 1099-K by the payment settlement entity under section 6050W and are not subject to reporting on Form 1099-MISC. See the separate Instructions for Form 1099-K.

Fees paid to informers. A payment to an informer as an award, fee, or reward for information about criminal activity does not have to be reported if the payment is made by a federal, state, or local government agency, or by a nonprofit organization exempt from tax under section 501(c)(3) that makes the payment to further the charitable purpose of lessening the burdens of government. For more information, see Regulations section 1.6041-3(l).

Scholarships. Do not use Form 1099-MISC to report scholarship or fellowship grants. Scholarship or fellowship grants that are taxable to the recipient because they are paid for teaching, research, or other services as a condition for receiving the grant are considered wages and must be reported on Form W-2. Other taxable scholarship or fellowship payments (to a degree or nondegree candidate) do not have to be reported to the IRS on any form, unless section 6050S requires reporting of such amounts by an educational institution on Form 1098-T, Tuition Statement. See section 117(b)–(d) and Regulations section 1.6041-3(n) for more information.

Canceled debt. A canceled debt is not reportable on Form 1099-MISC. Canceled debts reportable under section 6050P must be reported on Form 1099-C. See the Instructions for Forms 1099-A and 1099-C.

Reportable payments to corporations. The following payments made to corporations generally must be reported on Form 1099-MISC.

- Medical and health care payments reported in [box 6](#).
- Gross proceeds paid to an attorney reported in [box 10](#).
- Substitute payments in lieu of dividends or tax-exempt interest reported in [box 8](#).

Payments to attorneys. The term “attorney” includes a law firm or other provider of legal services. Attorneys' fees of \$600 or more paid in the course of your trade or business are reportable in [box 1](#) of Form 1099-NEC, under section 6041A(a)(1).

Gross proceeds paid to attorneys. Under section 6045(f), report in [box 10](#) payments that:

- Are made to an attorney in the course of your trade or business in connection with legal services, but not for the attorney's services, for example, as in a settlement agreement;
- Total \$600 or more; and
- Are not reportable by you in box 1 of Form 1099-NEC.

Generally, you are not required to report the claimant's attorney's fees. For example, an insurance company pays a claimant's attorney \$100,000 to settle a claim. The insurance company reports the payment as gross proceeds of \$100,000 in [box 10](#). However, the insurance company does not have a reporting requirement for the claimant's attorney's fees subsequently paid from these funds.

These rules apply whether or not:

- The legal services are provided to the payer;
- The attorney is the exclusive payee (for example, the attorney's and claimant's names are on one check); or
- Other information returns are required for some or all of a payment under another section of the Code, such as section 6041.

For example, a person who, in the course of a trade or business, pays \$600 of taxable damages to a claimant by paying that amount to a claimant's attorney is required to:

- Furnish Form 1099-MISC to the claimant, reporting damages pursuant to section 6041, generally in [box 3](#); and
- Furnish Form 1099-MISC to the claimant's attorney, reporting gross proceeds paid pursuant to section 6045(f) in [box 10](#).

For more examples and exceptions relating to payments to attorneys, see Regulations section 1.6045-5.

However, these rules do not apply to wages paid to attorneys that are reportable on Form W-2 or to profits distributed by a partnership to its partners that are reportable on:

- Schedule K-1 (Form 1065), Partner's Share of Income, Deductions, Credits, etc.

Payments to corporations for legal services. The exemption from reporting payments made to corporations does not apply to payments for legal services. Therefore, you must report attorneys' fees (in [box 1](#) of Form 1099-NEC) or gross proceeds (in [box 10](#) of Form 1099-MISC), as described earlier, to corporations that provide legal services.

Taxpayer identification numbers (TINs). To report payments to an attorney on Form 1099-MISC, you must obtain the attorney's TIN. You may use Form W-9, Request for Taxpayer Identification Number and Certification, to obtain the attorney's TIN. An attorney is required to promptly supply its TIN whether it is a corporation or other entity, but the attorney is not required to certify its TIN. If the attorney fails to provide its TIN, the attorney may be subject to a penalty under section 6723 and its regulations, and you must backup withhold on the reportable payments.

Deceased employee's wages. When an employee dies during the year, you must report the accrued wages, vacation pay, and other compensation paid after the date of death. If you made the payment in the same year the employee died, you must withhold social security and Medicare taxes on the payment and report them only as social security and Medicare wages on the employee's Form W-2 to ensure that proper social security and Medicare credit is received. On the Form W-2, show the payment as social security wages (box 3) and Medicare wages and tips (box 5) and the social security and Medicare taxes withheld in boxes 4 and 6; do not show the payment in box 1 of Form W-2.

If you made the payment after the year of death, do not report it on Form W-2 and do not withhold social security and Medicare taxes.

Whether the payment is made in the year of death or after the year of death, you must also report the payment to the estate or beneficiary on Form 1099-MISC. Report the payment in [box 3](#) (rather than as non-employee compensation). See the [Example](#) that follows. Enter the name and TIN of the payment recipient on Form 1099-MISC. For example, if the recipient is an individual beneficiary, enter the name and social security number of the individual; if the recipient is the estate, enter the name and employer identification number of the estate. The general backup withholding rules apply to this payment.

Death benefits from nonqualified deferred compensation plans or section 457 plans paid to the estate or beneficiary of a deceased employee are reportable on Form 1099-MISC. Do not report these death benefits on Form 1099-R. However, if the benefits are from a qualified plan, report them on Form 1099-R. See the Instructions for Forms 1099-R and 5498.

Example. Before Employee A's death on June 15, 2020, A was employed by Employer X and received \$10,000 in wages on which federal income tax of \$1,500 was withheld. When A died, X owed A \$2,000 in wages and \$1,000 in accrued vacation pay. The total of \$3,000 (less the social security and Medicare taxes withheld) was paid to A's estate on July 20, 2020. Because X made the payment during the year of death, X must withhold social security and Medicare taxes on the \$3,000 payment and must complete Form W-2 as follows.

- Box 1—10000.00 (does not include the \$3,000 accrued wages and vacation pay).
- Box 2—1500.00.
- Box 3—13000.00 (includes the \$3,000 accrued wages and vacation pay).
- Box 4—806.00 (social security tax withheld).
- Box 5—13000.00 (includes the \$3,000 accrued wages and vacation pay).
- Box 6—188.50 (Medicare tax withheld).

Employer X must also complete Form 1099-MISC as follows.

- Boxes for recipient's name, address, and TIN—The estate's or beneficiary's name, address, and TIN.
- Box 3—3000.00 (Even though amounts were withheld for social security and Medicare taxes, the gross amount is reported here.)

If Employer X made the payment after the year of death, the \$3,000 would not be subject to social security and Medicare taxes and would not be shown on Form W-2. However, the employer would still file Form 1099-MISC.

Employee business expense reimbursements. Do not use Form 1099-MISC to report employee business expense reimbursements. Report payments made to employees under a nonaccountable plan as wages on Form W-2. Generally, payments made to employees under an accountable plan are not reportable on Form W-2, except in certain cases when you pay a per diem or mileage allowance. For more information, see the Instructions for Forms W-2 and W-3, and Pub. 463. For information on reporting employee moving expense reimbursements on Form W-2, see the Instructions for Forms W-2 and W-3.

Payments made on behalf of another person. For payments reportable under section 6041, if you make a payment on behalf of another person, who is the source of the funds, you may be responsible for filing Form 1099-MISC. You are the payor for information reporting purposes if you perform management or oversight functions in connection with the payment, or have a significant economic interest in the payment (such as a lien). For example, a bank that provides financing to a real estate developer for a construction project maintains an account from which it makes payments for services in connection with the project. The bank performs management and oversight functions over the payments and is responsible for filing information returns for payments of \$600 or more paid to contractors. For more information, see Regulations section 1.6041-1(e).

Indian gaming profits, payments to tribal members. If you make payments to members of Indian tribes from the net revenues of class II or class III gaming activities conducted or licensed by the tribes, you must withhold federal income tax on such payments. File Form 1099-MISC to report the payments and withholding to tribal members. Report the payments in [box 3](#) and the federal income tax withheld in

[box 4](#). Pub. 15-A contains the necessary Tables for Withholding on Distributions of Indian Gaming Profits to Tribal Members.

State or local sales taxes. If state or local sales taxes are imposed on the service provider and you (as the buyer) pay them to the service provider, report them on Form 1099-MISC as part of the reportable payment. However, if sales taxes are imposed on you (as the buyer) and collected from you by the service provider, do not report the sales taxes on Form 1099-MISC.

Widely held fixed investment trusts (WHFITs). Trustees and middlemen of WHFITs must report items of gross income attributable to a trust income holder (TIH) on the appropriate Form 1099. A tax information statement that includes the information provided to the IRS on Forms 1099, as well as additional information identified in Regulations section 1.671-5(e), must be furnished to TIHs. For details, see the 2020 General Instructions for Certain Information Returns.

Statements to Recipients

If you are required to file Form 1099-MISC, you must furnish a statement to the recipient. For more information about the requirement to furnish a statement to each recipient, and truncation, see part M in the 2020 General Instructions for Certain Information Returns.

You can furnish each recipient with a single payee statement reporting all Form 1099-MISC payment types. You are required to furnish the payee statements by January 31 and file with the IRS by February 28, (March 31, if filing electronically).

Truncating recipient's TIN on payee statements.

Pursuant to Regulations section 301.6109-4, all filers of this form may truncate a recipient's TIN (social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN)) on payee statements. Truncation is not allowed on any documents the filer files with the IRS. A payer's TIN may not be truncated on any form. See part J in the 2020 General Instructions for Certain Information Returns.

Foreign Account Tax Compliance Act (FATCA) Filing Requirement Checkbox

Check the box if you are a U.S. payer that is reporting on Form(s) 1099 (including reporting payments on this Form 1099-MISC) as part of satisfying your requirement to report with respect to a U.S. account for chapter 4 purposes as described in Regulations section 1.1471-4(d)(2)(iii)(A). In addition, check the box if you are a Foreign Financial Institution (FFI) reporting payments to a U.S. account pursuant to an election described in Regulations section 1.1471-4(d)(5)(i)(A). Finally, check the box if you are an FFI making the election described in Regulations section 1.1471-4(d)(5)(i)(A) and are reporting a U.S. account for chapter 4 purposes to which you made no payments during the year that are reportable on any applicable Form 1099 (or are reporting a U.S. account to which you made payments during the year that do not reach the applicable reporting threshold for any applicable Form 1099).

2nd TIN Not.

You may enter an "X" in this box if you were notified by the IRS twice within 3 calendar years that the payee provided an

incorrect TIN. If you mark this box, the IRS will not send you any further notices about this account.

However, if you received both IRS notices in the same year, or if you received them in different years but they both related to information returns filed for the same year, do not check the box at this time. For purposes of the two-notices-in-3-years rule, you are considered to have received one notice and you are not required to send a second "B" notice to the taxpayer on receipt of the second notice. See part N in the 2020 General Instructions for Certain Information Returns for more information.



For information on the TIN Matching System offered by the IRS, see the 2020 General Instructions for Certain Information Returns.

Corrections to Form 1099-MISC

If you need to correct a Form 1099-MISC that you have already sent to the IRS:

- For paper forms, see the 2020 General Instructions for Certain Information Returns, part H; or
- For electronic corrections, see Pub. 1220.



If you are filing a correction on a paper form, do not check the VOID box on the form. A checked VOID box alerts IRS scanning equipment to ignore the form and proceed to the next one. Your correction will not be entered into IRS records if you check the VOID box.

Recipient's TIN

Enter the recipient's TIN using hyphens in the proper format. SSNs, ITINs, and ATINs should be in the XXX-XX-XXXX format. EINs should be in the XX-XXXXXXX format. You should make every effort to ensure that you have the correct type of number reported in the correct format.

Account Number

The account number is required if you have multiple accounts for a recipient for whom you are filing more than one Form 1099-MISC. The account number is also required if you check the "FATCA filing requirement" box. See [FATCA Filing Requirement Checkbox](#), earlier. Additionally, the IRS encourages you to designate an account number for all Forms 1099-MISC that you file. See part L in the 2020 General Instructions for Certain Information Returns.

Box 1. Rents

Enter amounts of \$600 or more for all types of rents, such as any of the following.

- Real estate rentals paid for office space. However, you do not have to report these payments on Form 1099-MISC if you paid them to a real estate agent or property manager. But the real estate agent or property manager must use Form 1099-MISC to report the rent paid over to the property owner. See Regulations sections 1.6041-3(d) and 1.6041-1(e)(5), Example 5.
- Machine rentals (for example, renting a bulldozer to level your parking lot). If the machine rental is part of a contract that includes both the use of the machine and the operator, prorate the rental between the rent of the machine (report that in box 1) and the operator's charge (report that on Form 1099-NEC in [box 1](#)).
- Pasture rentals (for example, farmers paying for the use of grazing land).

Public housing agencies must report in box 1 rental assistance payments made to owners of housing projects. See Rev. Rul. 88-53, 1988-1 C.B. 384.

Coin-operated amusements. If an arrangement between an owner of coin-operated amusements and an owner of a business establishment where the amusements are placed is a lease of the amusements or the amusement space, the owner of the amusements or the owner of the space, whoever makes the payments, must report the lease payments in box 1 of Form 1099-MISC if the payments total at least \$600. However, if the arrangement is a joint venture, the joint venture must file a Form 1065, U.S. Return of Partnership Income, and provide each partner with the information necessary to report the partner's share of the taxable income. Coin-operated amusements include video games, pinball machines, jukeboxes, pool tables, slot machines, and other machines and gaming devices operated by coins or tokens inserted into the machines by individual users. For more information, see Rev. Rul. 92-49, 1992-1 C.B. 433.

Box 2. Royalties

Enter gross royalty payments (or similar amounts) 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. Do not include surface royalties. They should be reported in [box 1](#). Do not report oil or gas payments for a working interest in box 2; report payments for working interests in [box 1](#) of Form 1099-NEC. Do not report timber royalties made under a pay-as-cut contract; report these timber royalties on Form 1099-S, Proceeds From Real Estate Transactions.

Use box 2 to report royalty payments from intangible property such as patents, copyrights, trade names, and trademarks. Report the gross royalties (before reduction for fees, commissions, or expenses) paid by a publisher directly to an author or literary agent, unless the agent is a corporation. The literary agent (whether or not a corporation) that receives the royalty payment on behalf of the author must report the gross amount of royalty payments to the author on Form 1099-MISC whether or not the publisher reported the payment to the agent on its Form 1099-MISC.

Box 3. Other Income

Enter 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.

Also enter in box 3 prizes and awards that are not for services performed. Include the fair market value (FMV) of merchandise won on game shows. Also include amounts paid to a winner of a sweepstakes not involving a wager. If a wager is made, report the winnings on Form W-2G.



If, not later than 60 days after the winner becomes entitled to the prize, the winner can choose the option of a lump sum or an annuity payable over at least 10 years, the payment of winnings is considered made when actually paid. If the winner chooses an annuity, file Form 1099-MISC each year to report the annuity paid during that year.

Do not include prizes and awards paid to your employees. Report these on Form W-2. Do not include in box 3 prizes and awards for services performed by nonemployees, such as an award for the top commission salesperson. Report them in [box 1](#) of Form 1099-NEC.

Prizes and awards received in recognition of past accomplishments in religious, charitable, scientific, artistic, educational, literary, or civic fields are not reportable if:

- The winners are chosen without action on their part,
- The winners are not expected to perform future services, and
- The payer transfers the prize or award to a charitable organization or governmental unit under a designation made by the recipient. See Rev. Proc. 87-54, 1987-2 C.B. 669.

Other items required to be reported in box 3 include the following.

1. Payments as explained earlier under [Deceased employee's wages](#).
2. Payments as explained earlier under [Indian gaming profits, payments to tribal members](#).
3. A payment or series of payments made to individuals for participating in a medical research study or studies.
4. Termination payments to former self-employed insurance salespeople. These payments are not subject to self-employment tax and are reportable in box 3 (rather than [box 1](#) of Form 1099-NEC) if all the following apply.
 - a. The payments are received from an insurance company because of services performed as an insurance salesperson for the company.
 - b. The payments are received after termination of the salesperson's agreement to perform services for the company.
 - c. The salesperson did not perform any services for the company after termination and before the end of the year.
 - d. The salesperson enters into a covenant not to compete against the company for at least 1 year after the date of termination.
 - e. The amount of the payments depends primarily on policies sold by the salesperson or credited to the salesperson's account during the last year of the service agreement or to the extent those policies remain in force for some period after termination, or both.
 - f. The amount of the payments does not depend at all on length of service or overall earnings from the company (regardless of whether eligibility for payment depends on length of service).

If the termination payments do not meet all these requirements, report them in [box 1](#) of Form 1099-NEC.

5. Generally, all punitive damages, any damages for nonphysical injuries or sickness, and any other taxable damages. Report punitive damages even if they relate to physical injury or physical sickness. Generally, report all compensatory damages for nonphysical injuries or sickness, such as employment discrimination or defamation. However, do not report damages (other than punitive damages):

- a. Received on account of personal physical injuries or physical sickness;
- b. That do not exceed the amount paid for medical care for emotional distress;
- c. Received on account of nonphysical injuries (for example, emotional distress) under a written binding agreement, court decree, or mediation award in effect on or issued by September 13, 1995; or

d. That are for a replacement of capital, such as damages paid to a buyer by a contractor who failed to complete construction of a building.

Damages received on account of emotional distress, including physical symptoms such as insomnia, headaches, and stomach disorders, are not considered received for a physical injury or physical sickness and are reportable unless described in item 5b or 5c above. However, damages received on account of emotional distress due to physical injuries or physical sickness are not reportable.

Also report liquidated damages received under the Age Discrimination in Employment Act of 1967.



Taxable back pay damages may be wages and reportable on Form W-2. See Pub. 957.

Foreign agricultural workers. Report in box 3 compensation of \$600 or more paid in a calendar year to an H-2A visa agricultural worker who did not give you a valid TIN. You must also withhold federal income tax under the backup withholding rules. For more information, go to IRS.gov and enter “foreign agricultural workers” in the search box.

Account reported under FATCA. If you are an FFI reporting pursuant to an election described in Regulations section 1.1471-4(d)(5)(i)(A) a U.S. account required to be reported under chapter 4 to which during the year you made no payments reportable on an applicable Form 1099, enter zero in box 3. In addition, if you are an FFI described in the preceding sentence and, during the year, you made payments to the account required to be reported under chapter 4, but those payments are not reportable on an applicable Form 1099 (for example, because the payment is under the applicable reporting threshold), you must report the account on this Form 1099-MISC and enter zero in box 3.

Box 4. Federal Income Tax Withheld

Enter backup withholding. For example, persons who have not furnished their TINs to you are subject to withholding on payments required to be reported in boxes 1, 2 (net of severance taxes), 3, 5 (to the extent paid in cash), 6, 8, 9, and 10. For more information on backup withholding, including the rate, see part N in the 2020 General Instructions for Certain Information Returns.

Also enter any income tax withheld from payments to members of Indian tribes from the net revenues of class II or class III gaming activities conducted or licensed by the tribes.

Box 5. Fishing Boat Proceeds

Enter the 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. A fishing boat has normally fewer than 10 crew members if the average size of the operating crew was fewer than 10 on trips during the preceding 4 calendar quarters.

In addition, report cash payments of up to \$100 per trip that are contingent on a minimum catch and are paid solely for additional duties (such as mate, engineer, or cook) for which additional cash payments are traditional in the industry. However, do not report on Form 1099-MISC any wages reportable on Form W-2.

Box 6. Medical and Health Care Payments

Enter payments of \$600 or more made in the course of your trade or business to each physician or other supplier or provider of medical or health care services. Include payments made by medical and health care insurers under health, accident, and sickness insurance programs. If payment is made to a corporation, list the corporation as the recipient rather than the individual providing the services. Payments to persons providing health care services often include charges for injections, drugs, dentures, and similar items. In these cases, the entire payment is subject to information reporting. You are not required to report payments to pharmacies for prescription drugs.

The exemption from issuing Form 1099-MISC to a corporation does not apply to payments for medical or health care services provided by corporations, including professional corporations. However, you are not required to report payments made to a tax-exempt hospital or extended care facility or to a hospital or extended care facility owned and operated by the United States (or its possessions), a state, the District of Columbia, or any of their political subdivisions, agencies, or instrumentalities.



Generally, payments made under a flexible spending arrangement (as defined in section 106(c)(2)) or a health reimbursement arrangement which is treated as employer-provided coverage under an accident or health plan for purposes of section 106 are exempt from the reporting requirements of section 6041.

Box 7. Payer Made Direct Sales of \$5,000 or More

Enter an “X” in the checkbox for sales by you of \$5,000 or more of consumer products to a person on a buy-sell, deposit-commission, or other commission basis for resale (by the buyer or any other person) anywhere other than in a permanent retail establishment. Do not enter a dollar amount in this box.

The report you must give to the recipient for these direct sales need not be made on the official form. It may be in the form of a letter showing this information along with commissions, prizes, awards, etc.

Box 8. Substitute Payments in Lieu of Dividends or Interest

Enter aggregate payments of at least \$10 of substitute payments 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. Substitute payment means a payment in lieu of (a) a dividend, or (b) tax-exempt interest to the extent that interest (including original issue discount) has accrued while the securities were on loan. For this purpose, a customer includes an individual, trust, estate, partnership, association, company, or corporation. See Notice 2003-67, which is on page 752 of Internal Revenue Bulletin 2003-40 at IRS.gov/irb/2003-40_IRB#NOT-2003-67. It does not include a tax-exempt organization, the United States, any state, the District of Columbia, a U.S. possession, or a foreign government. File Form 1099-MISC with the IRS and furnish a copy to the customer for whom you received the substitute payment.

Box 9. Crop Insurance Proceeds

Enter 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 under section 278, 263A, or 447.

Box 10. Gross Proceeds Paid to an Attorney

Enter 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). See [Payments to attorneys](#), earlier.

Box 12. Section 409A Deferrals

You do not have to complete this box. For details, see Notice 2008-115, available at [IRS.gov/irb/2008-52 IRB#NOT-2008-115](#).

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 during the year include earnings on the current year and prior year deferrals. For additional information, see Regulations sections 1.409A-1 through 1.409A-6.

For deferrals and earnings under NQDC plans for employees, see the Instructions for Forms W-2 and W-3.

Box 13. Excess Golden Parachute Payments

Enter any excess golden parachute payments. An excess parachute payment is the amount over the base amount (the average annual compensation for services includible in the individual's gross income over the most recent 5 tax years). See Q/A-38 through Q/A-44 of Regulations section 1.280G-1 for how to compute the excess amount.

See [Golden parachute payments](#), later, for more information.

Box 14. Nonqualified Deferred Compensation

Enter all amounts deferred (including earnings on amounts deferred) that are includible in income under section 409A because the nonqualified deferred compensation (NQDC) plan fails to satisfy the requirements of 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 for purposes of section 409A. For additional information, see Regulations sections 1.409A-1 through 1.409A-6; Notice 2008-113, available at [IRS.gov/irb/2008-51 IRB#NOT-2008-113](#); Notice 2008-115; Notice 2010-6, available at [IRS.gov/irb/2010-03 IRB#NOT-2010-6](#); and Notice 2010-80, available at [IRS.gov/irb/2010-51 IRB#NOT-2010-80](#).

The amount included in box 14 is also includible in [box 1](#) of Form 1099-NEC.

Boxes 15–17. 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. See Pub. 1220 for more information regarding the Combined Federal/State Filing Program. They are provided for your convenience only and need not be completed for the IRS. Use the state information boxes to report payments for up to two states. Keep the information for each state separated by the dash line. If you withheld state

income tax on this payment, you may enter it in box 15. In box 16, enter the abbreviated name of the state and the payer's state identification number. The state number is the payer's identification number assigned by the individual state. In box 17, you may enter the amount of the state payment.

If a state tax department requires that you send them a paper copy of this form, use Copy 1 to provide information to the state tax department. Give Copy 2 to the recipient for use in filing the recipient's state income tax return.

Specific Instructions for Form 1099-NEC

File Form 1099-NEC, Nonemployee Compensation (NEC), for each person in the course of your business to whom you have paid the following during the year:

- At least \$600 in:
 1. Services performed by someone who is not your employee (including parts and materials) ([box 1](#));
 2. Cash payments for fish (or other aquatic life) you purchase from anyone engaged in the trade or business of catching fish ([box 1](#)); or
 3. Payments to an attorney ([box 1](#)). (See [Payments to attorneys](#), later.)

You must also file Form 1099-NEC for each person from whom you have withheld any federal income tax (report in [box 4](#)) under the backup withholding rules regardless of the amount of the payment.



Be sure to report each payment in the proper box because the IRS uses this information to determine whether the recipient has properly reported the payment.

Trade or business reporting only. Report on Form 1099-NEC only when payments are made in the course of your trade or business. Personal payments are not reportable. You are engaged in a trade or business if you operate for gain or profit. However, nonprofit organizations are considered to be engaged in a trade or business and are subject to these reporting requirements. Other organizations subject to these reporting requirements include trusts of qualified pension or profit-sharing plans of employers, certain organizations exempt from tax under section 501(c) or 501(d), farmers' cooperatives that are exempt from tax under section 521, and widely held fixed investment trusts. Payments by federal, state, or local government agencies are also reportable.

Exceptions. Some payments do not have to be reported on Form 1099-NEC, although they may be taxable to the recipient. Payments for which a Form 1099-NEC is not required include all of the following.

- Generally, payments to a corporation (including a limited liability company (LLC) that is treated as a C or S corporation). However, see [Reportable payments to corporations](#), later.
- Payments for merchandise, telegrams, telephone, freight, storage, and similar items.
- Payments of rent to real estate agents or property managers. However, the real estate agent or property manager must use Form 1099-MISC to report the rent paid over to the property owner. See Regulations sections

1.6041-3(d), 1.6041-1(e)(5), Example 5, and the instructions for [box 1](#).

- Wages paid to employees (report on Form W-2, Wage and Tax Statement).
- Military differential wage payments made to employees while they are on active duty in the Armed Forces or other uniformed services (report on Form W-2).
- Business travel allowances paid to employees (may be reportable on Form W-2).
- Cost of current life insurance protection (report on Form W-2 or Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.).
- Payments to a tax-exempt organization including tax-exempt trusts (IRAs, HSAs, Archer MSAs, Coverdell ESAs, and ABLER (529A) accounts), the United States, a state, the District of Columbia, a U.S. possession, or a foreign government.
- Payments made to or for homeowners from the HFA Hardest Hit Fund or similar state program (report on Form 1098-MA).
- Compensation for injuries or sickness by the Department of Justice as a public safety officer disability or survivor's benefit, or under a state program that provides benefits for surviving dependents of a public safety officer who has died as the direct and proximate result of a personal injury sustained in the line of duty.
- Compensation for wrongful incarceration for any criminal offense for which there was a conviction under federal or state law. See section 139F, Certain amounts received by wrongfully incarcerated individuals.

Form 1099-K. Payments made with a credit card or payment card and certain other types of payments, including third-party network transactions, must be reported on Form 1099-K by the payment settlement entity under section 6050W and are not subject to reporting on Form 1099-NEC. See the separate Instructions for Form 1099-K.

Fees paid to informers. A payment to an informer as an award, fee, or reward for information about criminal activity does not have to be reported if the payment is made by a federal, state, or local government agency, or by a nonprofit organization exempt from tax under section 501(c)(3) that makes the payment to further the charitable purpose of lessening the burdens of government. For more information, see Regulations section 1.6041-3(l).

Scholarships. Do not use Form 1099-NEC to report scholarship or fellowship grants. Scholarship or fellowship grants that are taxable to the recipient because they are paid for teaching, research, or other services as a condition for receiving the grant are considered wages and must be reported on Form W-2. Other taxable scholarship or fellowship payments (to a degree or nondegree candidate) do not have to be reported to the IRS on any form, unless section 6050S requires reporting of such amounts by an educational institution on Form 1098-T, Tuition Statement. See section 117(b)-(d) and Regulations section 1.6041-3(n) for more information.

Difficulty-of-care payments. Do not use Form 1099-NEC to report difficulty-of-care payments that are excludable from the recipient's gross income. Difficulty-of-care payments to foster care providers are not reportable if paid for fewer than 11 children under age 19 and fewer than six individuals age 19 or older. See section 131(c). Amounts paid for more than 10 children or more than five other individuals are reportable on Form 1099-NEC.

Certain Medicaid waiver payments may be excludable from income as difficulty-of-care payments. For more information, see Notice 2014-7, available at [IRS.gov/irb/2014-4_IRB#NOT-2014-7](https://www.irs.gov/irb/2014-4_IRB#NOT-2014-7), and Medicaid waiver payments frequently asked questions (FAQs), available at [IRS.gov/Individuals/Certain-Medicaid-Payments-May-Be-Excludable-From-Income](https://www.irs.gov/Individuals/Certain-Medicaid-Payments-May-Be-Excludable-From-Income).

Canceled debt. A canceled debt is not reportable on Form 1099-NEC. Canceled debts reportable under section 6050P must be reported on Form 1099-C. See the Instructions for Forms 1099-A and 1099-C.

Reportable payments to corporations. The following payments made to corporations generally must be reported on Form 1099-NEC.

- Fish purchases for cash reported in [box 1](#).
- Attorneys' fees reported in [box 1](#).
- Payments by a federal executive agency for services (vendors) reported in [box 1](#).



Federal executive agencies may also have to file Form 8596, Information Return for Federal Contracts, and Form 8596-A, Quarterly Transmittal of Information Returns for Federal Contracts, if a contracted amount for personal services is more than \$25,000. See Rev. Rul. 2003-66, which is on page 1115 of Internal Revenue Bulletin 2003-26 at [IRS.gov/pub/irs-irbs/irb03-26.pdf](https://www.irs.gov/pub/irs-irbs/irb03-26.pdf) for details.

Payments to attorneys. The term "attorney" includes a law firm or other provider of legal services. Attorneys' fees of \$600 or more paid in the course of your trade or business are reportable in [box 1](#) of Form 1099-NEC, under section 6041A(a)(1).

Gross proceeds paid to attorneys. Gross proceeds are not reportable by you in [box 1](#) of Form 1099-NEC. See the Form 1099-MISC [box 10](#) instructions, earlier.

Payments to corporations for legal services. The exemption from reporting payments made to corporations does not apply to payments for legal services. Therefore, you must report attorneys' fees (in [box 1](#) of Form 1099-NEC) or gross proceeds (in [box 10](#) of Form 1099-MISC) as described earlier to corporations that provide legal services.

Taxpayer identification numbers (TINs). To report payments to an attorney on Form 1099-NEC, you must obtain the attorney's TIN. You may use Form W-9, Request for Taxpayer Identification Number and Certification, to obtain the attorney's TIN. An attorney is required to promptly supply its TIN whether it is a corporation or other entity, but the attorney is not required to certify its TIN. If the attorney fails to provide its TIN, the attorney may be subject to a penalty under section 6723 and its regulations, and you must backup withhold on the reportable payments.

Fish purchases. If you are in the trade or business of purchasing fish for resale, you must 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. Report these payments in [box 1](#). You are required to keep records showing the date and amount of each cash payment made during the year, but you must report only the total amount paid for the year on Form 1099-NEC.

"Fish" means all fish and other forms of aquatic life. "Cash" means U.S. and foreign coin and currency and a cashier's check, bank draft, traveler's check, or money order. Cash does not include a check drawn on your personal or business account.

Employee business expense reimbursements. Do not use Form 1099-NEC to report employee business expense reimbursements. Report payments made to employees under a nonaccountable plan as wages on Form W-2. Generally, payments made to employees under an accountable plan are not reportable on Form W-2, except in certain cases when you pay a per diem or mileage allowance. For more information, see the Instructions for Forms W-2 and W-3, and Pub. 463. For information on reporting employee moving expense reimbursements on Form W-2, see the Instructions for Forms W-2 and W-3.

Independent contractor or employee. Generally, you must report payments to independent contractors on Form 1099-NEC in [box 1](#). See the [instructions for box 1](#).

TIP *Section 530 of the Revenue Act of 1978 as extended by section 269(c) of P.L. 97-248 deals with the employment tax status of independent contractors and employees. To qualify for relief under section 530, employers must file Form 1099-NEC. Additional requirements for relief are discussed in Rev. Proc. 85-18, 1985-1 C.B. 518. Also see Pub. 15-A for special rules that may apply to technical service specialists and test proctors and room supervisors.*

Transit passes and parking for independent contractors. Although you cannot provide qualified transportation fringes to independent contractors, the working condition and de minimis fringe rules for transit passes and parking apply to independent contractors. Tokens or farecards that enable an independent contractor to commute on a public transit system (not including privately operated van pools) are excludable from the independent contractor's gross income and are not reportable on Form 1099-NEC if their value in any month is \$21 or less. However, if the value of a pass provided in a month is greater than \$21, the full value is part of the gross income and must be reported on Form 1099-NEC. The value of parking may be excludable from an independent contractor's gross income, and, therefore, not reportable on Form 1099-NEC if certain requirements are met. See Regulations section 1.132-9(b), Q/A-24.

Directors' fees. You must report directors' fees and other remuneration, including payments made after retirement, on Form 1099-NEC in the year paid. Report them in [box 1](#).

Commissions paid to lottery ticket sales agents. A state that has control over and responsibility for online and instant lottery games must file Form 1099-NEC to report commissions paid, whether directly or indirectly, to licensed sales agents. For example, State X retains control over and liability for online and instant lottery games. For online ticket sales, State X pays commissions by allowing an agent to retain 5% of the ticket proceeds the agent remits to State X. For instant ticket sales, State X pays commissions by providing tickets to the agent for 5% less than the proceeds to be obtained by the agent from the sale of those tickets. If the commissions for the year total \$600 or more, they must be reported in [box 1](#) of Form 1099-NEC. See Rev. Rul. 92-96, 1992-2 C.B. 281.

Payments made on behalf of another person. For payments reportable under section 6041, if you make a payment on behalf of another person, who is the source of the funds, you may be responsible for filing Form 1099-NEC. You are the payor for information reporting purposes if you perform management or oversight functions in connection with the payment, or have a significant economic interest in

the payment (such as a lien). For example, a bank that provides financing to a real estate developer for a construction project maintains an account from which it makes payments for services in connection with the project. The bank performs management and oversight functions over the payments and is responsible for filing information returns for payments of \$600 or more paid to contractors. For more information, see Regulations section 1.6041-1(e).

State or local sales taxes. If state or local sales taxes are imposed on the service provider and you (as the buyer) pay them to the service provider, report them on Form 1099-NEC as part of the reportable payment. However, if sales taxes are imposed on you (as the buyer) and collected from you by the service provider, do not report the sales taxes on Form 1099-NEC.

Statements to Recipients

If you are required to file Form 1099-NEC, you must furnish a statement to the recipient. For more information about the requirement to furnish a statement to each recipient, and truncation, see part M in the 2020 General Instructions for Certain Information Returns.

You can furnish each recipient with a single payee statement reporting all Form 1099-NEC payment types. You are required to furnish the payee statements and file with the IRS by January 31.

Truncating recipient's TIN on payee statements.

Pursuant to Regulations section 301.6109-4, all filers of this form may truncate a recipient's TIN (social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN)) on payee statements. Truncation is not allowed on any documents the filer files with the IRS. A payer's TIN may not be truncated on any form. See part J in the 2020 General Instructions for Certain Information Returns.

Foreign Account Tax Compliance Act (FATCA) Filing Requirement Checkbox

Check the box if you are a U.S. payer that is reporting on Form(s) 1099 (including reporting payments on this Form 1099-NEC) as part of satisfying your requirement to report with respect to a U.S. account for chapter 4 purposes as described in Regulations section 1.1471-4(d)(2)(iii)(A). In addition, check the box if you are a Foreign Financial Institution (FFI) reporting payments to a U.S. account pursuant to an election described in Regulations section 1.1471-4(d)(5)(i)(A). Finally, check the box if you are an FFI making the election described in Regulations section 1.1471-4(d)(5)(i)(A) and are reporting a U.S. account for chapter 4 purposes to which you made no payments during the year that are reportable on any applicable Form 1099 (or are reporting a U.S. account to which you made payments during the year that do not reach the applicable reporting threshold for any applicable Form 1099).

2nd TIN Not.

You may enter an "X" in this box if you were notified by the IRS twice within 3 calendar years that the payee provided an incorrect TIN. If you mark this box, the IRS will not send you any further notices about this account.

However, if you received both IRS notices in the same year, or if you received them in different years but they both related to information returns filed for the same year, do not

check the box at this time. For purposes of the two-notice-in-3-years rule, you are considered to have received one notice and you are not required to send a second “B” notice to the taxpayer on receipt of the second notice. See part N in the 2020 General Instructions for Certain Information Returns for more information.



For information on the TIN Matching System offered by the IRS, see the 2020 General Instructions for Certain Information Returns.

Corrections to Form 1099-NEC

If you need to correct a Form 1099-NEC that you have already sent to the IRS:

- For paper forms, see the 2020 General Instructions for Certain Information Returns, part H; or
- For electronic corrections, see Pub. 1220.



If you are filing a correction on a paper form, do not check the VOID box on the form. A checked VOID box alerts IRS scanning equipment to ignore the form and proceed to the next one. Your correction will not be entered into IRS records if you check the VOID box.

Recipient's TIN

Enter the recipient's TIN using hyphens in the proper format. SSNs, ITINs, and ATINs should be in the XXX-XX-XXXX format. EINs should be in the XX-XXXXXXX format. You should make every effort to ensure that you have the correct type of number reported in the correct format.

Account Number

The account number is required if you have multiple accounts for a recipient for whom you are filing more than one Form 1099-NEC. The account number is also required if you check the “FATCA filing requirement” box. See [FATCA Filing Requirement Checkbox](#), earlier. Additionally, the IRS encourages you to designate an account number for all Forms 1099-NEC that you file. See part L in the 2020 General Instructions for Certain Information Returns.

Box 1. Nonemployee Compensation

Enter nonemployee compensation (NEC) 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 purchases 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. See Rev. Rul. 2003-66.

What is NEC? If the following four conditions are met, you must generally report a payment as NEC.

- You made the payment to someone who is not your employee.
- You made the payment for services in the course of your trade or business (including government agencies and nonprofit organizations).
- You made the payment to an individual, partnership, estate, or, in some cases, a corporation.
- You made payments to the payee of at least \$600 during the year.

Self-employment tax. Generally, amounts reportable in [box 1](#) are subject to self-employment tax. If payments to individuals are not subject to this tax and are not reportable elsewhere on Form 1099-NEC, report the payments in [box 3](#) of Form 1099-MISC. However, report section 530 (of the Revenue Act of 1978) worker payments in [box 1](#) of Form 1099-NEC.

Examples. The following are some examples of payments to be reported in [box 1](#).

- Professional service fees, such as fees to attorneys (including corporations), accountants, architects, contractors, engineers, etc.
- Fees paid by one professional to another, such as fee-splitting or referral fees.
- Payments by attorneys to witnesses or experts in legal adjudication.
- Payment for services, including payment for parts or materials used to perform the services if supplying the parts or materials was incidental to providing the service. For example, report the total insurance company payments to an auto repair shop under a repair contract showing an amount for labor and another amount for parts, if furnishing parts was incidental to repairing the auto.
- Commissions paid to nonemployee salespersons that are subject to repayment but not repaid during the calendar year.
- A fee paid to a nonemployee, including an independent contractor, or travel reimbursement for which the nonemployee did not account to the payer, if the fee and reimbursement total at least \$600. To help you determine whether someone is an independent contractor or an employee, see Pub. 15-A.
- Payments to nonemployee entertainers for services. Use Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, for payments to nonresident aliens.
- Exchanges of services between individuals in the course of their trades or businesses. For example, an attorney represents a painter for nonpayment of business debts in exchange for the painting of the attorney's law offices. The amount reportable by each on Form 1099-NEC is the FMV of his or her own services performed. However, if the attorney represents the painter in a divorce proceeding, this is an activity that is unrelated to the painter's trade or business. The attorney must report on Form 1099-NEC the value of his or her services. But the painter need not report on Form 1099-NEC the value of painting the law offices because the work is in exchange for legal services that are separate from the painter's business.
- Taxable fringe benefits for nonemployees. For information on the valuation of fringe benefits, see Pub. 15-B, Employer's Tax Guide to Fringe Benefits.
- Gross oil and gas payments for a working interest.
- Payments to an insurance salesperson who is not your common law or statutory employee. See Pub. 15-A for the definition of employee. However, for termination payments to former insurance salespeople, see the [instructions for box 3 of Form 1099-MISC](#).
- Directors' fees as explained under [Directors' fees](#), earlier.
- Commissions paid to licensed lottery ticket sales agents as explained under [Commissions paid to lottery ticket sales agents](#), earlier.
- Payments to section 530 (of the Revenue Act of 1978) workers. See the [TIP](#) under [Independent contractor or employee](#), earlier.
- Fish purchases for cash. See [Fish purchases](#), earlier.

Illustrated Example

The completed Form 1099-NEC illustrates the following 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 \$600.00 or more in the course of their trade or business, and Mr. Green is not a corporation.

7171		<input type="checkbox"/> VOID	<input type="checkbox"/> CORRECTED	OMB No. 1545-0116		
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. Z Builders 123 Maple Avenue Oaktown, AL 00000 555-555-1212				2020 Form 1099-NEC		
		1 Nonemployee compensation \$ 5500.00		Nonemployee Compensation Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2020 General Instructions for Certain Information Returns.		
PAYER'S TIN 10-9999999	RECIPIENT'S TIN 123-00-6789	2				
RECIPIENT'S name Ronald Green dba/Y Drywall		3				
Street address (including apt. no.) 456 Flower Lane		4 Federal income tax withheld \$				
City or town, state or province, country, and ZIP or foreign postal code Oaktown, AL 00000						
		FATCA filing requirement <input type="checkbox"/>				
Account number (see instructions)	2nd TIN not. <input type="checkbox"/>	5 State tax withheld \$	6 State/Payer's state no.			

Form 1099-NEC Cat. No. 72590N www.irs.gov/Form1099NEC Department of the Treasury - Internal Revenue Service
Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

Nonqualified deferred compensation (section 409A) income. Include in [box 1](#) the amount of all deferrals (plus earnings) reported in [box 14](#) of Form 1099-MISC that are includible in gross income because the nonqualified deferred compensation (NQDC) plan fails to satisfy the requirements of section 409A. See Regulations sections 1.409A-1 through 1.409A-6.

Golden parachute payments. A parachute payment is any payment that meets all of the following conditions.

- The payment is in the nature of compensation.
- The payment is to, or for the benefit of, a disqualified individual. A disqualified individual is one who at any time during the 12-month period prior to and ending on the date of the change in ownership or control of the corporation (the disqualified individual determination period) was an employee or independent contractor and was, in regard to that corporation, a shareholder, an officer, or a highly compensated individual.
- The payment is contingent on a change in the ownership of a corporation, the effective control of a corporation, or the ownership of a substantial portion of the assets of a corporation (a change in ownership or control).
- The payment has (together with other payments described in (1), (2), and (3), above, made to the same individual) an aggregate present value of at least three times the individual's base amount.

For more details, see Regulations section 1.280G-1. Also, see Rev. Proc. 2003-68, which is on page 398 of Internal

Revenue Bulletin 2003-34 at [IRS.gov/irb/2003-34_IRB#RP-2003-68](https://www.irs.gov/irb/2003-34_IRB#RP-2003-68), concerning the valuation of stock options for purposes of golden parachute payment rules. For the treatment of unvested shares of restricted stock, see Rev. Rul. 2005-39, available at [IRS.gov/irb/2005-27_IRB#RR-2005-39](https://www.irs.gov/irb/2005-27_IRB#RR-2005-39).

Independent contractor. Enter in [box 1](#) the total compensation, including any golden parachute payment. For excess golden parachute payments, see the [instructions for box 13 of Form 1099-MISC](#).

For employee reporting of these payments, see Pub. 15-A.

Payments not reported in box 1. Do not report in box 1:

- Expense reimbursements paid to volunteers of nonprofit organizations;
- Deceased employee wages paid in the year after death (report in [box 3](#) of Form 1099-MISC) (See [Deceased employee's wages](#), earlier);
- Payments more appropriately described as rent (report in [box 1](#) of Form 1099-MISC), royalties (report in [box 2](#) of Form 1099-MISC), other income not subject to self-employment tax (report in [box 3](#) of Form 1099-MISC), interest (use Form 1099-INT);
- The cost of current life insurance protection (report on Form W-2 or Form 1099-R);
- An employee's wages, travel or auto allowance, or bonuses and prizes (report on Form W-2); and
- The cost of group-term life insurance paid on behalf of a former employee (report on Form W-2).

Box 4. Federal Income Tax Withheld

Enter backup withholding. For example, persons who have not furnished their TINs to you are subject to withholding on payments required to be reported in [box 1](#). For more information on backup withholding, including the rate, see part N in the 2020 General Instructions for Certain Information Returns.

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 payments for up to two states. Keep the information for each state separated by the dash line. If you withheld state income tax on this payment, you may enter it in box 5. In box 6, enter the abbreviated name of the state and the payer's state identification number. In box 7, you may enter the amount of the state payment.

If a state tax department requires that you send them a paper copy of this form, use Copy 1 to provide information to the state tax department. Give Copy 2 to the recipient for use in filing the recipient's state income tax return.

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Attention:

Copy A of this form is provided for informational purposes only. Copy A appears in red, similar to the official IRS form. The official printed version of Copy A of this IRS form is scannable, but the online version of it, printed from this website, is not. Do **not** print and file copy A downloaded from this website; a penalty may be imposed for filing with the IRS information return forms that can't be scanned. See part O in the current General Instructions for Certain Information Returns, available at www.irs.gov/form1099, for more information about penalties.

Please note that Copy B and other copies of this form, which appear in black, may be downloaded and printed and used to satisfy the requirement to provide the information to the recipient.

To order official IRS information returns, which include a scannable Copy A for filing with the IRS and all other applicable copies of the form, visit www.IRS.gov/orderforms. Click on [Employer and Information Returns](#), and we'll mail you the forms you request and their instructions, as well as any publications you may order.

Information returns may also be filed electronically using the IRS Filing Information Returns Electronically (FIRE) system (visit www.IRS.gov/FIRE) or the IRS Affordable Care Act Information Returns (AIR) program (visit www.IRS.gov/AIR).

See IRS Publications 1141, 1167, and 1179 for more information about printing these tax forms.

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VOID CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Rents		OMB No. 1545-0115 2020 Form 1099-MISC	Miscellaneous Income
		\$			
		2 Royalties			
\$		3 Other income		4 Federal income tax withheld	
PAYER'S TIN		RECIPIENT'S TIN		\$	
		5 Fishing boat proceeds		6 Medical and health care payments	
		\$		\$	
RECIPIENT'S name		7 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>		8 Substitute payments in lieu of dividends or interest	
Street address (including apt. no.)		9 Crop insurance proceeds		10 Gross proceeds paid to an attorney	
		\$		\$	
City or town, state or province, country, and ZIP or foreign postal code		11		12 Section 409A deferrals	
				\$	
Account number (see instructions)	FATCA filing requirement <input type="checkbox"/>	2nd TIN not <input type="checkbox"/>	13 Excess golden parachute payments		14 Nonqualified deferred compensation
			\$		\$
		15 State tax withheld		16 State/Payer's state no.	
		\$		17 State income	
		\$		\$	

**Copy A
For
Internal Revenue
Service Center**

**File with Form 1096.
For Privacy Act
and Paperwork
Reduction Act
Notice, see the
2020 General
Instructions for
Certain
Information
Returns.**

VOID CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Rents		OMB No. 1545-0115 2020 Form 1099-MISC	Miscellaneous Income		
		\$					
		2 Royalties					
		\$					
3 Other income		4 Federal income tax withheld		Copy 1 For State Tax Department			
\$		\$					
PAYER'S TIN	RECIPIENT'S TIN	5 Fishing boat proceeds				6 Medical and health care payments	
		\$				\$	
RECIPIENT'S name Street address (including apt. no.) City or town, state or province, country, and ZIP or foreign postal code		7 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>		8 Substitute payments in lieu of dividends or interest			
		\$		\$			
		9 Crop insurance proceeds		10 Gross proceeds paid to an attorney			
		\$		\$			
		11		12 Section 409A deferrals			
				\$			
Account number (see instructions)	FATCA filing requirement <input type="checkbox"/>	13 Excess golden parachute payments		14 Nonqualified deferred compensation			
		\$		\$			
		15 State tax withheld		16 State/Payer's state no.		17 State income	
		\$				\$	
		\$				\$	

Form 1099-MISC

www.irs.gov/Form1099MISC

Department of the Treasury - Internal Revenue Service

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Rents	OMB No. 1545-0115	2020 Form 1099-MISC	Miscellaneous Income
		\$	2 Royalties		
		\$	3 Other income		
PAYER'S TIN	RECIPIENT'S TIN	\$	\$	5 Fishing boat proceeds	6 Medical and health care payments
RECIPIENT'S name Street address (including apt. no.) City or town, state or province, country, and ZIP or foreign postal code		7 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	8 Substitute payments in lieu of dividends or interest	\$	Copy B For Recipient
		9 Crop insurance proceeds	10 Gross proceeds paid to an attorney	\$	
		11	12 Section 409A deferrals	\$	
Account number (see instructions)	FATCA filing requirement <input type="checkbox"/>	13 Excess golden parachute payments	14 Nonqualified deferred compensation	\$	This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
		15 State tax withheld	16 State/Payer's state no.	17 State income	
		\$	\$	\$	

Form **1099-MISC**

(keep for your records)

www.irs.gov/Form1099MISC

Department of the Treasury - Internal Revenue Service

Instructions for Recipient

Recipient's taxpayer identification number (TIN). For your protection, this form may show only the last four digits of your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN). However, the payer has reported your complete TIN to the IRS.

Account number. May show an account or other unique number the payer assigned to distinguish your account.

FATCA filing requirement. If the FATCA filing requirement box is checked, the payer is reporting on this Form 1099 to satisfy its chapter 4 account reporting requirement. You may also have a filing requirement. See the Instructions for Form 8938.

Amounts shown may be subject to self-employment (SE) tax. If your net income from SE is \$400 or more, you must file a return and compute your SE tax on Schedule SE (Form 1040 or 1040-SR). See Pub. 334 for more information. **Note:** If you are still receiving payments on which no income, social security, and Medicare taxes are withheld, you should make estimated tax payments. See Form 1040-ES (or Form 1040-ES-NR). Individuals must report these amounts as explained in the box 14 instructions on this page. Corporations, fiduciaries, or partnerships must report the amounts on the proper line of their tax returns.

Form 1099-MISC incorrect? If this form is incorrect or has been issued in error, contact the payer. If you cannot get this form corrected, attach an explanation to your tax return and report your income correctly.

Box 1. Report rents from real estate on Schedule E (Form 1040 or 1040-SR). However, report rents on Schedule C (Form 1040 or 1040-SR) if you provided significant services to the tenant, sold real estate as a business, or rented personal property as a business. See Pub. 527.

Box 2. Report royalties from oil, gas, or mineral properties; copyrights; and patents on Schedule E (Form 1040 or 1040-SR). However, report payments for a working interest as explained in the Schedule E (Form 1040 or 1040-SR) instructions. For royalties on timber, coal, and iron ore, see Pub. 544.

Box 3. Generally, report this amount on the "Other income" line of Schedule 1 (Form 1040 or 1040-SR), or Form 1040-NR and identify the payment. The amount shown may be payments received as the beneficiary of a deceased employee, prizes, awards, taxable damages, Indian gaming profits, or other taxable income. See Pub. 525. If it is trade or business income, report this amount on Schedule C or F (Form 1040 or 1040-SR).

Box 4. Shows backup withholding or withholding on Indian gaming profits. Generally, a payer must backup withhold if you did not furnish your TIN. See Form W-9 and Pub. 505 for more information. Report this amount on your income tax return as tax withheld.

Box 5. An amount in this box means the fishing boat operator considers you self-employed. Report this amount on Schedule C (Form 1040 or 1040-SR). See Pub. 334.

Box 6. For individuals, report on Schedule C (Form 1040 or 1040-SR).

Box 7. If checked, \$5,000 or more of sales of consumer products was sold to you on buy-sell, deposit-commission, or other basis. A dollar amount does not have to be shown. Generally, report any income from your sale of these products on Schedule C (Form 1040 or 1040-SR).

Box 8. Shows substitute payments in lieu of dividends or tax-exempt interest received by your broker on your behalf as a result of a loan of your securities. Report on the "Other income" line of Schedule 1 (Form 1040 or 1040-SR), or Form 1040-NR.

Box 9. Report this amount on Schedule F (Form 1040 or 1040-SR).

Box 10. Shows gross proceeds paid to an attorney in connection with legal services. Report only the taxable part as income on your return.

Box 12. May show current year deferrals as a nonemployee under a nonqualified deferred compensation (NQDC) plan that is subject to the requirements of section 409A plus any earnings on current and prior year deferrals. This amount is also shown in box 1 of Form 1099-NEC.

Box 13. Shows your total compensation of excess golden parachute payments subject to a 20% excise tax. See your tax return instructions for where to report.

Box 14. Shows income as a nonemployee under an NQDC plan that does not meet the requirements of section 409A. This amount is also included in box 1, Form 1099-NEC as nonemployee compensation. Any amount included in box 12 that is currently taxable is also included in this box. This income is also subject to a substantial additional tax to be reported on Form 1040, 1040-SR, or 1040-NR. See the Instructions for Forms 1040 and 1040-SR, or the Instructions for Form 1040-NR.

Boxes 15–17. Show state or local income tax withheld from the payments.

Future developments. For the latest information about developments related to Form 1099-MISC and its instructions, such as legislation enacted after they were published, go to www.irs.gov/Form1099MISC.

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Rents		OMB No. 1545-0115			
		\$		2020			
		2 Royalties					
		\$		Form 1099-MISC			
3 Other income		4 Federal income tax withheld		Copy 2 To be filed with recipient's state income tax return, when required.			
\$		\$					
PAYER'S TIN	RECIPIENT'S TIN	5 Fishing boat proceeds				6 Medical and health care payments	
		\$				\$	
RECIPIENT'S name Street address (including apt. no.) City or town, state or province, country, and ZIP or foreign postal code		7 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>		8 Substitute payments in lieu of dividends or interest			
		\$		\$			
		9 Crop insurance proceeds		10 Gross proceeds paid to an attorney			
		\$		\$			
11		12 Section 409A deferrals					
				\$			
Account number (see instructions)	FATCA filing requirement <input type="checkbox"/>	13 Excess golden parachute payments		14 Nonqualified deferred compensation			
		\$		\$			
		15 State tax withheld		16 State/Payer's state no.		17 State income	
		\$				\$	
		\$				\$	

Form **1099-MISC**

www.irs.gov/Form1099MISC

Department of the Treasury - Internal Revenue Service

VOID CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Rents		OMB No. 1545-0115 2020 Form 1099-MISC	Miscellaneous Income Copy C For Payer For Privacy Act and Paperwork Reduction Act Notice, see the 2020 General Instructions for Certain Information Returns.	
		\$				2 Royalties
		\$				3 Other income
PAYER'S TIN	RECIPIENT'S TIN	5 Fishing boat proceeds	6 Medical and health care payments			
RECIPIENT'S name Street address (including apt. no.) City or town, state or province, country, and ZIP or foreign postal code		7 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>		8 Substitute payments in lieu of dividends or interest		
		9 Crop insurance proceeds		10 Gross proceeds paid to an attorney		
		11		12 Section 409A deferrals		
Account number (see instructions)	FATCA filing requirement <input type="checkbox"/>	2nd TIN not <input type="checkbox"/>	13 Excess golden parachute payments	14 Nonqualified deferred compensation		
		15 State tax withheld		16 State/Payer's state no.		17 State income
		\$				\$
		\$			\$	

Form **1099-MISC**

www.irs.gov/Form1099MISC

Department of the Treasury - Internal Revenue Service

Instructions for Payer

To complete Form 1099-MISC, use:

- The 2020 General Instructions for Certain Information Returns, and
- The 2020 Instructions for Forms 1099-MISC and 1099-NEC.

To complete corrected Forms 1099-MISC, see the 2020 General Instructions for Certain Information Returns.

To order these instructions and additional forms, go to www.irs.gov/Form1099MISC.

Caution: Because paper forms are scanned during processing, you cannot file Forms 1096, 1097, 1098, 1099, 3921, or 5498 that you print from the IRS website.

Due dates. Furnish Copy B of this form to the recipient by February 1, 2021. The due date is extended to February 16, 2021, if you are reporting payments in box 8 or 10.

File Copy A of this form with the IRS by March 1, 2021, if you file on paper, or by March 31, 2021, if you file electronically.

To file electronically, you must have software that generates a file according to the specifications in Pub. 1220. The IRS does not provide a fill-in form option for Copy A.

Need help? If you have questions about reporting on Form 1099-MISC, call the information reporting customer service site toll free at 866-455-7438 or 304-263-8700 (not toll free). Persons with a hearing or speech disability with access to TTY/TDD equipment can call 304-579-4827 (not toll free).

Attention filers of Form 1096:


This form is provided for informational purposes only. It appears in red, similar to the official IRS form. The official printed version of this IRS form is scannable, but a copy, printed from this website, is not. Do **not** print and file a Form 1096 downloaded from this website; a penalty may be imposed for filing with the IRS information return forms that can't be scanned. See part O in the current General Instructions for Certain Information Returns, available at www.irs.gov/form1099, for more information about penalties.

To order official IRS information returns, which include a scannable Form 1096 for filing with the IRS, visit www.IRS.gov/orderforms. Click on [Employer and Information Returns](#), and we'll mail you the forms you request and their instructions, as well as any publications you may order.

Information returns may also be filed electronically. To file electronically, you must have software, or a service provider, that will create the file in the proper format. More information can be found at:

- IRS Filing Information Returns Electronically (FIRE) system (visit www.IRS.gov/FIRE), or
- IRS Affordable Care Act Information Returns (AIR) program (visit www.IRS.gov/AIR).

See IRS Publications 1141, 1167, and 1179 for more information about printing these tax forms.

Form 1096 Department of the Treasury Internal Revenue Service	Annual Summary and Transmittal of U.S. Information Returns	OMB No. 1545-0108 2020
FILER'S name Street address (including room or suite number) City or town, state or province, country, and ZIP or foreign postal code		
Name of person to contact		Telephone number
Email address		Fax number
1 Employer identification number		2 Social security number
3 Total number of forms		4 Federal income tax withheld \$
5 Total amount reported with this Form 1096 \$		For Official Use Only 
6 Enter an "X" in only one box below to indicate the type of form being filed.		
W-2G 32 <input type="checkbox"/>	1097-BTC 50 <input type="checkbox"/>	1098 81 <input type="checkbox"/>
1098-C 78 <input type="checkbox"/>	1098-E 84 <input type="checkbox"/>	1098-F 03 <input type="checkbox"/>
1098-Q 74 <input type="checkbox"/>	1098-T 83 <input type="checkbox"/>	1099-A 80 <input type="checkbox"/>
1099-B 79 <input type="checkbox"/>	1099-C 85 <input type="checkbox"/>	1099-CAP 73 <input type="checkbox"/>
1099-DIV 91 <input type="checkbox"/>	1099-G 86 <input type="checkbox"/>	1099-INT 92 <input type="checkbox"/>
1099-K 10 <input type="checkbox"/>	1099-LS 16 <input type="checkbox"/>	
1099-LTC 93 <input type="checkbox"/>	1099-MISC 95 <input type="checkbox"/>	1099-NEC 71 <input type="checkbox"/>
1099-OID 96 <input type="checkbox"/>	1099-PATR 97 <input type="checkbox"/>	1099-Q 31 <input type="checkbox"/>
1099-QA 1A <input type="checkbox"/>	1099-R 98 <input type="checkbox"/>	1099-S 75 <input type="checkbox"/>
1099-SA 94 <input type="checkbox"/>	1099-SB 43 <input type="checkbox"/>	3921 25 <input type="checkbox"/>
3922 26 <input type="checkbox"/>	5498 28 <input type="checkbox"/>	5498-ESA 72 <input type="checkbox"/>
5498-QA 2A <input type="checkbox"/>	5498-SA 27 <input type="checkbox"/>	

Return this entire page to the Internal Revenue Service. Photocopies are not acceptable.

Under penalties of perjury, I declare that I have examined this return and accompanying documents and, to the best of my knowledge and belief, they are true, correct, and complete.

Signature ▶ Title ▶ Date ▶

Instructions

Future developments. For the latest information about developments related to Form 1096, such as legislation enacted after it was published, go to www.irs.gov/Form1096.

Reminder. The only acceptable method of electronically filing information returns listed on this form in box 6 with the IRS is through the FIRE System. See Pub. 1220.

Purpose of form. Use this form to transmit paper Forms 1097, 1098, 1099, 3921, 3922, 5498, and W-2G to the IRS.

Caution: If you are required to file 250 or more information returns of any one type, you must file electronically. If you are required to file electronically but fail to do so, and you do not have an approved waiver, you may be subject to a penalty. For more information, see part F in the 2020 General Instructions for Certain Information Returns.

Forms 1099-QA and 5498-QA can be filed on paper only, regardless of the number of returns.

Who must file. Any person or entity who files any of the forms shown in line 6 above must file Form 1096 to transmit those forms to the IRS.

Enter the filer's name, address (including room, suite, or other unit number), and taxpayer identification number (TIN) in the spaces provided on the form. The name, address, and TIN of the filer on this form must be the same as those you enter in the upper left area of Forms 1097, 1098, 1099, 3921, 3922, 5498, or W-2G.

When to file. File Form 1096 as follows.

- With Forms 1097, 1098, 1099, 3921, 3922, or W-2G, file by March 1, 2021.
- With Form 1099-NEC, file by February 1, 2021.
- With Forms 5498, file by June 1, 2021.

Where To File

Send all information returns filed on paper with Form 1096 to the following.

If your principal business, office or agency, or legal residence in the case of an individual, is located in

Use the following address

Alabama, Arizona, Arkansas, Delaware, Florida, Georgia, Kentucky, Maine, Massachusetts, Mississippi, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Texas, Vermont, Virginia

Internal Revenue Service
 Austin Submission Processing Center
 P.O. Box 149213
 Austin, TX 78741

Alaska, Colorado, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Utah, Washington, Wisconsin, Wyoming

Internal Revenue Service Center
P.O. Box 219256
Kansas City, MO 64121-9256

California, Connecticut, District of Columbia, Louisiana, Maryland, Pennsylvania, Rhode Island, West Virginia

Department of the Treasury
Internal Revenue Service Center
Ogden, UT 84201

If your legal residence or principal place of business is outside the United States, file with the Internal Revenue Service, Austin Submission Processing Center, P.O. Box 149213, Austin, TX 78741.

Transmitting to the IRS. Group the forms by form number and transmit each group with a separate Form 1096. For example, if you must file both Forms 1098 and 1099-A, complete one Form 1096 to transmit your Forms 1098 and another Form 1096 to transmit your Forms 1099-A. You need not submit original and corrected returns separately. Do not send a form (1099, 5498, etc.) containing summary (subtotal) information with Form 1096. Summary information for the group of forms being sent is entered only in boxes 3, 4, and 5 of Form 1096.

Box 1 or 2. Enter your TIN in either box 1 or 2, not both. Individuals not in a trade or business must enter their social security number (SSN) in box 2. Sole proprietors and all others must enter their employer identification number (EIN) in box 1. However, sole proprietors who do not have an EIN must enter their SSN in box 2. Use the same EIN or SSN on Form 1096 that you use on Form 1097, 1098, 1099, 3921, 3922, 5498, or W-2G.

Box 3. Enter the number of forms you are transmitting with this Form 1096. Do not include blank or voided forms or the Form 1096 in your total. Enter the number of correctly completed forms, not the number of pages, being transmitted. For example, if you send one page of three-to-a-page Forms 1098-E with a Form 1096 and you have correctly completed two Forms 1098-E on that page, enter "2" in box 3 of Form 1096.

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

Box 5. No entry is required if you are filing Form 1098-T, 1099-A, or 1099-G. For all other forms in the listing that follows, enter the total of the amounts from the specific boxes identified for each form.

Form W-2G	Box 1
Form 1097-BTC	Box 1
Form 1098	Boxes 1 and 6
Form 1098-C	Box 4c
Form 1098-E	Box 1
Form 1098-F	Box 1
Form 1098-Q	Box 4
Form 1099-B	Boxes 1d and 13
Form 1099-C	Box 2
Form 1099-CAP	Box 2
Form 1099-DIV	Boxes 1a, 2a, 3, 9, 10, and 11
Form 1099-INT	Boxes 1, 3, 8, 10, 11, and 13
Form 1099-K	Box 1a
Form 1099-LS	Box 1
Form 1099-LTC	Boxes 1 and 2
Form 1099-MISC	Boxes 1, 2, 3, 5, 6, 8, 9, 10, and 13
Form 1099-NEC	Box 1
Form 1099-OID	Boxes 1, 2, 5, 6, and 8
Form 1099-PATR	Boxes 1, 2, 3, and 5
Form 1099-Q	Box 1
Form 1099-QA	Box 1
Form 1099-R	Box 1
Form 1099-S	Box 2
Form 1099-SA	Box 1
Form 1099-SB	Boxes 1 and 2
Form 3921	Boxes 3 and 4
Form 3922	Boxes 3, 4, and 5
Form 5498	Boxes 1, 2, 3, 4, 5, 8, 9, 10, 12b, 13a, and 14a
Form 5498-ESA	Boxes 1 and 2
Form 5498-QA	Boxes 1 and 2
Form 5498-SA	Box 1

Corrected returns. For information about filing corrections, see the 2020 General Instructions for Certain Information Returns. Originals and corrections of the same type of return can be submitted using one Form 1096.