



THE
ACCOUNTING
SOLUTIONS GROUP

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Managing Partner

Subject: IRS Form 1099 – 2018 Pre-Processing Preparation

Dear Restaurant Owner,

There are two questions on your business tax return that require a Yes/No response concerning your administrative processing requirements/criteria for 1099 forms as follows:

Question 1: Did you make any payments in 2018 that would require you to file Form(s) 1099?
ANSWER Is Either: “YES” or “NO”

Question 2: If “Yes” to question 1, did you or will you file all required Forms 1099 YES NO

We recommend that you discuss/review in advance of preparing your 2018 tax return these two questions with your CPA/tax preparer.

Consistent with your responses to these two questions, **at the very minimum**, and as directed by any further advice we receive from you and/or your CPA/tax preparer, our office will prepare a 1099 form for The Accounting Solutions Group along with any other qualifying 1099 vendors **whereby we have on file the inclusive taxpayer identification information form W-9.** Note that this form W9 (attached) is required in order to process and send a 1099 to any qualifying vendor/recipient. Accordingly, by taking this approach for the year 2019, it would demonstrate at least a reasonable effort on your behalf toward compliance in responding to the above questions.

The IRS is very persistent in imposing full compliance on all businesses concerning 1099s for all “applicable” vendor payments and additionally requires you to send and retain on file all completed Form W-9s (copy attached) to all such vendors. **Late filing of mandatory 1099s could lead to penalties ranging from \$30 to \$100 per 1099, with a maximum of \$500,000 a year for your small business.**

Please feel free to contact our office directly if you wish to further discuss these administrative burdens being imposed by the IRS relative to the issuance of 1099 forms.....Just one more administrative back office function to make being in business tougher and tougher.....