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*Subject: Definition & Guidelines for IRS Form 1099*

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The IRS Form 1099-Misc is the form that is usually prepared at the end of each calendar year which reports rent payments, nonemployee compensation and payments to vendors for services made in excess of \$600 to individuals or partnerships (LLC's).



In order to issue a Form 1099, you must request and retain on file for each respective qualifying vendor a signed and completed Form W-9. If you do not have on file a signed and completed W-9 for selected Vendors/recipients, a **1099 MISC CANNOT and WILL NOT BE GENERATED.**

Examples of payments for services include but not limited to:

1. Professional fees paid to an attorney (including corporations), accountants, architects, contractors, engineers etc. Payments to independent contractors for services by someone who is not your employee. **Payments to nonemployee entertainers for services.**
2. Payments by your company for consulting, IT services, cleaning & janitorial, web design services, plumbing repairs etc. (If the service payment included parts and materials incidental to the service, the Form 1099 would include these also)
3. Rent paid to a landlord
4. Fees paid by one professional to another, such as fee-splitting or referral fees