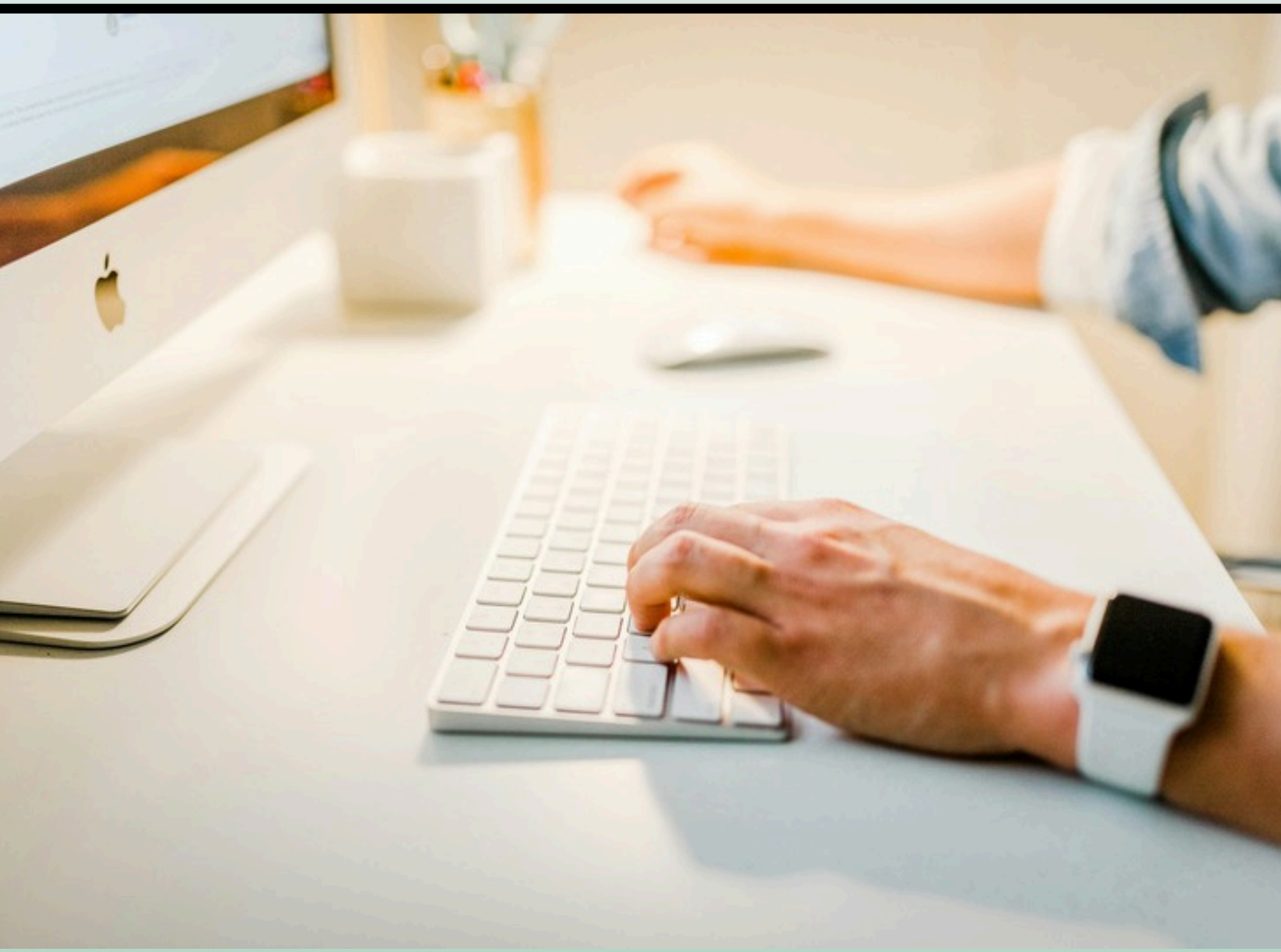
WHO GETS A 1099?

Decision Tree

Filing 1099s during the 2026 tax year



TRIO.Finance

1099 DECISION TREE

Should I Issue My Vendor a 1099?

Was a payment made in the course of your business?

YES → Were the payments made using a credit/debit card, PayPal, or another third-party payment processor? (Venmo, CashApp, etc.)

NO → No 1099

YES → No 1099

NO → Were total payments for the year over $2,000 for services

YES → Is the vendor a foreign entity performing the services outside the US, a tax exempt organization, or a government entity?

NO → No 1099

YES → No 1099

NO → What were the payments for?

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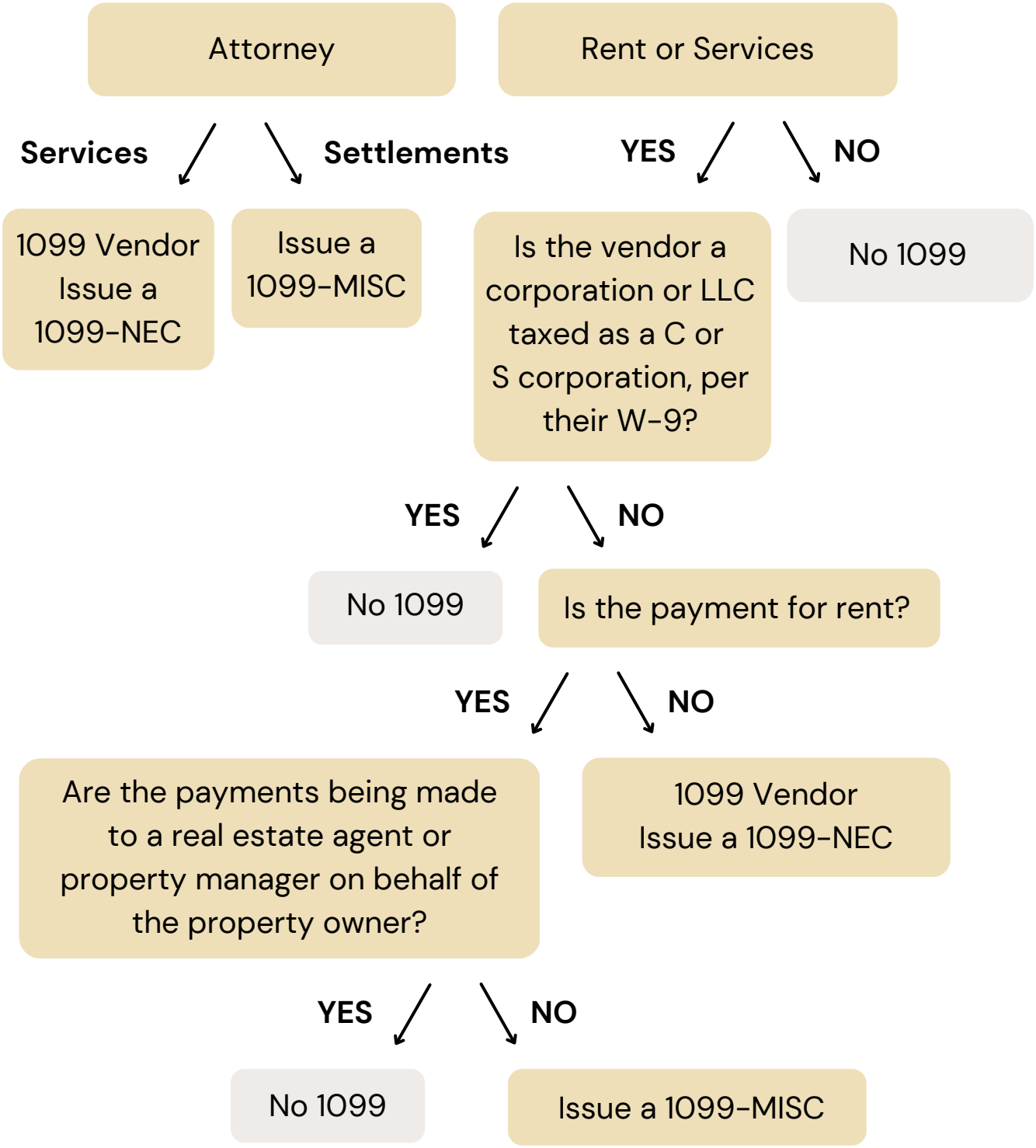

Disclaimer: This decision tree is provided for general informational purposes only and is not intended as legal or tax advice. Please consult a tax professional or the official IRS guidelines to ensure compliance with your specific situation. For detailed information and instructions, refer to the IRS Instructions for Forms 1099-MISC and 1099-NEC.

FAQ's

What do I need to file?

Request a Form W-9. This will include their:

- Legal name or business name if applicable
- Business entity (sole proprietor, partnership, corporation)
- Current address
- Taxpayer identification number (SSN, ITIN, or EIN)

It is the responsibility of the payer to file the Form 1099-NEC and the form will provide you with all the information you need to fill out any 1099 form. If you work with a payroll service (like Gusto) to pay your contractors, they will file and mail 1099 forms for each contractor. Make sure to check if your payroll service offers this feature. Your input will just be their Form W-9 up front.

What do I need to submit?

What are the penalties for missing the filing deadline for forms 1099-MISC and NEC?

If you missed the deadline, you will pay a penalty depending on how late the filing is. These penalties are:

- $50 if you file within 30 days
- $100 if you file more than 30 days late, but before August 1
- $250 if you file on or after August

The amount will be determined based on when you file the correct information return. If you are unable to file on time, you can request an extension by submitting Form 8809 to the IRS. However, you will still need to supply the 1099-NEC forms to any contractors by January 31.

FAQ's

When are 1099s Due?

Most 1099 forms are due to the recipient by January 31. If you're mailing a paper form to the IRS, you typically have to send the 1099 by February 28 (postmarked by that date).

Do 1099 forms need to be filed electronically?

You can e-File both forms with the IRS. However, keep in mind that e-Filing deadlines may vary. File and send copies of Form 1099-NEC to workers by January 31. For Form 1099-MISC, send the recipient their copy by January 31, and file the paper form with the IRS by February 28 (or February 29 in a leap year) or e-File by March 31.

Is a 1099 the same as a W-2?

A W-2 is a separate form from a 1099, the primary difference being that the W-2 is issued to employees on the company payroll, whereas a 1099 is given to independent contractors and other non-payroll workers. Do not file a 1099-NEC for employees.

I received a 1099-NEC. What do I do with it?

If you received this form, follow these steps:

- Check the accuracy of the form's details, such as your name, SSN, and income. Contact the payer if there are errors.
- Include the income on your tax return, such as on Schedule C or E, depending on your business type.
- Save your 1099-NEC forms for at least three years for federal taxes and as required for state taxes.

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