

1099 filing requirements and penalties for 2017

Grab those W-9s because it's 1099 reporting time!

The end of the year is near and I hope you have been collecting those W-9 forms from people, because the IRS is cracking down on 1099 reporting... I am serious. If you do not have W-9 forms signed and filled out, I suggest working on collecting those now otherwise be prepared for questions and possible penalties this year.

Beginning in 2017, the IRS has changed the deadlines for filing government copies of 1099-Misc forms to January 31st. In case you weren't aware the OLD deadline for most was February 28th (March 31st if filing electronically). That means 1099 preparers have one to two less months to get the information required to prepare these forms this year. So do them and yourself a favor and be prepared, because the penalties have also changed, and they aren't messing around. See penalty tables below pulled from the IRS website that were recently updated in October 2016.

Large businesses with gross receipts of more than \$5 million and governmental entities	
Time returns filed/furnished	Returns due 01-01-17 thru 12-31-2017
Not more than 30 days late	\$50 per return/ \$532,000* maximum
31 days late – August 1	\$100 per return/ \$1,596,500* maximum
After August 1 or not at all	\$260 per return/ \$3,193,000* maximum
Intentional disregard	\$530* per return/ no limitation

Small businesses with gross receipts \$5 million or less	
Time returns filed/furnished	Returns due 01-01-17 thru 12-31-2017
Not more than 30 days late	\$50 per return/ \$186,000* maximum
31 days late – August 1	\$100 per return/ \$532,000* maximum
After August 1 or not at all	\$260 per return/ \$1,064,000* maximum
Intentional disregard	\$530* per return/ no limitation

I would like to point out that the “per return” refers to each individual 1099 form. It does not refer to all 1099 and 1096 forms as a bundle. No, this means if you didn’t get Joe Schmoe’s and Jane Dowe’s W-9 forms and decided to NOT send them a 1099 because of it, well then your penalty will be at least $\$530(\text{per return}) * 2(\text{intentional disregards}) = \$1,060$ minimum penalty. Not to mention your 1096 would be filed incorrectly as well and the list goes on. So please, please, please, your preparers can’t stress this enough, don’t procrastinate, be ready for the deadline or pay the penalties, but don’t say we didn’t warn you! If you have any questions, please consult your accountant or if you are unsure whether you are required to file, see the IRS website for requirements by clicking [here](#).

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<http://www.hhcpa.com/blogs/income-tax-accountants-cpa/1099-filing-penalties/>