

Re: Filing of Forms 1099 Information Returns

Dear Client:

Every person engaged in a trade or business who makes payments of \$600.00 or more in a calendar year for commissions, fees, other compensation, rents, royalties, awards, premiums, annuities, direct sales, or \$10.00 of interest and other types of gains, profits, and income, must file an information return setting forth the name, address, and identifying number of the payee and the amount paid. This information is reported on Internal Revenue Service Form 1099.

- 1099 Forms are due to the recipient by February 1, 2021.**
- 1099 Forms with non-employee compensation are due to the Internal Revenue Service by January 31, 2020.**
- All other IRS paper filed copies of 1099 Forms are due by March 1, 2021.**
- You are required to file 1099 MISC forms for Attorneys even if they are corporations.**

Penalties range from \$50 to \$530 per 1099 form. The penalties will apply if you fail to furnish or file a correct information return by the due date. Specifically, these penalties are assessed for filing late, not filing, intentionally filing incorrect information, and not providing a copy of the form to the recipient.

Federal Form 1099 is an optical character recognition (OCR) form, meaning that it is optically scannable. As such, it should not be reproduced for filing purposes as a photocopy.

In certain situations, payments made to 1099 recipients are subject to backup withholding for both federal and state purposes.

If you would like us to prepare these forms for you, please sign this letter where indicated below and return it to our office no later than December 31, 2020. We will then contact you for the information we will need to file these returns.

MHTB Accountancy Group of Silicon Valley

Please prepare the required forms for me.

Signature

Date

Client Name (Print)