

rearranged several box numbers on the 2020 Form 1099-MISC, so payers should use:

- Box 7 (check box) if payer made sales of \$5,000 or more to the recipient for them to resell
- Box 9 for crop insurance proceeds
- Box 10 for certain payments to an attorney (that are not reported on Form 1099-NEC)
- Box 12 for IRC Section 409A deferrals (this would only apply in rare situations that are not reportable on Form 1099-NEC)
- Box 14 for nonqualified deferred compensation income (this is optional and would only apply in rare situations that are not reportable on Form 1099-NEC)
- Boxes 15, 16 and 17 for state taxes withheld, state identification number and amount of income earned in the state, respectively

Insights:

Paper-filed Form 1099-MISC must be filed by March 1, 2021. E-filed Form 1099-MISC must be filed on or before March 31, 2021.

Corrections to Form 1099-MISC for tax years 2019 and earlier should be made on the form's old version.

In Summary:

Businesses **cannot** download copies of Form 1099-NEC and 1099-MISC suitable for filing with the IRS from the IRS website. Do not print and file copy A downloaded from the IRS website. However, Copies B, C, 1, and 2 have been made fillable online in a PDF format available [IRS.gov/Form1099NEC](https://www.irs.gov/Form1099NEC) and at [IRS.gov/Form1099MISC](https://www.irs.gov/Form1099MISC). These fillable online copies are only appropriate for furnishing statements to recipients, state governments and for retaining in your own files.

The filing deadline for Form 1099-NEC is on or before February 1, 2021, using either paper or electronic fillable copies. Refer to IRS instructions.

The filing deadline for Form 1099-MISC is March 1, 2021 if you file on paper, or March 31, 2021 if you file electronically. Refer to IRS instructions.

To avoid confusion, consider including a standardized note of explanation to recipients of your 1099-MISC and 1099-NEC.

Ensure your staff is updated and comfortable with identifying employee versus nonemployee compensation and the updated IRS forms.

If a company fails to issue a 1099-MISC or NEC, a penalty may be assessed, ranging from \$30 to \$100 per form, depending on how late it is ultimately issued. If a company intentionally disregards the requirement to provide a correct 1099, the penalty is \$250 per form.

Stay updated with JPS.

And, as always, feel free to contact our JPS team to assist you.

www.jpspa.com

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