

Mason, Di Marco & Shaw, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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***** IMPORTANT NOTICE OF POTENTIAL PENALTIES *****

December 2020

****Business and rental property owners please take notice****

The IRS and State of CT are strictly enforcing 1099 filing. The penalties for non-filing can reach up to \$1,000 or more per 1099.

The new filing deadline is January 31, 2021. (Previously, the deadline for filing forms 1099 was February 28th.)

Background:

Businesses must report all payments for services over \$600 on Form 1099. It is your responsibility as a business owner to issue a Form W-9 to any vendors providing you with a service prior to work being performed. This form includes all the necessary information to prepare a Form 1099. A blank Form W-9 is included for your convenience. Although this letter encompasses 1099 filing for service recipients please be aware that the 1099 reporting requirements extend further into areas such as rent and interest and specific questions can be directed to the 1099 instructions located on our website at www.mdscpas.com.

Your responsibility:

Issue 1099's by January 31st

If our office will be preparing the 1099's you have to supply us with the 1099 recipient information **no later than Friday, January 8, 2021**. You are required to follow up on all necessary information that is needed to prepare the 1099's. **This required information consists of the Name, Address, Federal Tax id# and Amount paid for the 2020 year.** We are providing a template for your convenience to organize the required information. Keep in mind that software programs like QuickBooks can also keep track of this 1099 information.

What you should do now:

Start compiling the 1099 information now using the attached template or verifying all of the 1099 information is entered into your software.

By preparing 1099's our office is not drawing any conclusions as to whether the recipient is an employee vs independent contractor. In addition, our office cannot be responsible for any late filing penalties due to incorrect, incomplete or untimely information. Do not provide us with any information until all of the necessary data is complete.

Please feel free to contact Mary Padden in our office with any specific questions. She can be reached at 203-245-9264 or mpadden@mdscpas.com

Sincerely,
Mason, DiMarco & Shaw, PC