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The IRS requires that business owners file a Form 1099-Misc by January 31, 2017 for every individual or non-corporate LLC that you paid over \$600 in 2016 for trade or business services. If you pay a lawyer for trade or business services, they must also receive a form 1099-Misc. Failure to file the form for 2016 could result in a penalty that could be as much as \$1,000 per each omitted

The 1099-Misc must be provided to the taxpayer by January 31, 2017 and **this year the IRS's copy must also be provided by January 31, 2017** or those penalties will apply. The problem you may encounter is those sub-contractors that don't want you to issue a form. The best thing is to make sure you get them to fill out a W-9 form **before** you issue them a payment. A W-9 can be downloaded from my website under "Tax Forms".

In order to timely file your 2016 Forms 1099-Misc, I would appreciate it if you would provide us, **IN WRITING**, a complete list of payees by January 15, 2017 as follows, **for each payee:**

Payee Name
Payee Address
Payee City, State, Zip
Payee Federal ID Number (obtained by you on Form W-9)
Amount paid during 2016 for non-employee compensation
Amount paid in 2016 for Rent

If you are in doubt whether to issue a 1099, the safest treatment is to issue the form.

The IRS has changed the due date for W-2's that are submitted to the Social Security office. **These are also due on January 31, 2017.**

This makes our work much harder as all documents must be submitted earlier this year.

Thank you for your consideration in this matter.

Sincerely,

Joann Y. Hauer CPA