**1099 PREPARATION GUIDELINES**

The following table is a guide to use when gathering information for your 1099 forms, or when providing us with the information needed to prepare the 1099s.

The most common errors occur when the information on the 1099 form does not match the IRS records. Specifically, the payee name and taxpayer identification number do not match. The name of the recipient (whether a business or individual) must match the tax payer identification number (whether a Social Security Number or Employer ID Number).

For an individual recipient, you should always provide their Social Security Number. Businesses can be complicated and the most accurate method is to require them to fill out a W-9 form.

What Name and Tax Identification Number to use on Form 1099:

|  |  |  |
| --- | --- | --- |
| **Recipient Type:** | **Name:** | **TIN:** |
| Sole Proprietor (Individual) | Individual’s name | Individual’s Social Security Number |
| Single member LLC (owned by an individual) | Individual’s name  & LLC’s name | Owner’s Social Security Number |
| Single member LLC (owned by another business) | Owner’s name | Owner’s Employer Identification Number |
| Partnership (or LLC taxed as a partnership) | Partnership’s name | Partnership’s Employer Identification Number |
| Trust or Estate | Trust or Estate name | Trust or Estate’s Employer Identification Number |
| Corporation (or LLC taxed as a corporation)\* | Corporation’s name | Corporation’s Employer Identification Number |

\*Payments made to corporations generally do NOT have to be reported on Form 1099, with the following exceptions:

* Medical and health care payments
* Gross proceeds paid to an attorney
* Substitute payments in lieu of dividends or tax-exempt

**\*\*Beginning in January 2024,** any 1099 issuer who files 10 or more information returns MUST electronically file its 1099s with the IRS.