



HMW CPAs & Associates, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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Dear Client:

This is a friendly reminder that 1099 and 1096 forms for reporting 2020 payments are due to the recipient by February 1, 2021 and due to the IRS by February 1, 2021. The Oregon Department of Revenue requires electronic filing of 1099's by February 1, 2021, for all businesses and individuals filing 1099 forms.

Form 1099-NEC is a new form effective for calendar year 2020. It is required when you have made the following type payments in connection with a trade or business during the year of:

- At least \$600 in services performed by someone who is not your employee
- At least \$600 in cash payments for fish you purchase from someone engaged in the trade or business of catching fish
- At least \$600 in payments to an attorney for fees
- Each person from whom you have withheld any federal income tax under the backup withholding rules regardless of the amount of the payment.

Form 1099-MISC is required when you have made the following type payments in connection with a trade or business during the year of:

- At least \$10 in royalties or broker payments in lieu of dividends or tax-exempt interest;
- At least \$600 in rents paid to an unincorporated payee;
- At least \$600 in prizes and awards or other income payments
- At least \$600 to corporations for medical/health care payments and proceeds paid to attorneys.
- Direct sales of at least \$5,000 of consumer products to a buyer for resale other than a permanent retail establishment;

The filing rules related to corporations remain unchanged from the prior year. You might also have a requirement to file Form 1099-INT, Interest Income, for each person to whom you paid, during the course of your trade or business, at least \$600 in interest. Also, other Form 1099 requirements may apply depending upon the nature of your business. If you have questions about filing requirements, please read the 1099 MISC and NEC Instructions at <https://www.irs.gov/pub/irs-pdf/i1099misc.pdf>.

If you would like us to prepare the forms for you, please call or drop your information off at our office no later than **January 15, 2021**.

Go to the Oregon Secretary of State's website at the following link for information on Oregon's electronic filing requirements: <https://www.oregon.gov/dor/programs/businesses/pages/iwire.aspx>

Please feel free to contact us if you have any questions or concerns.

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