

ALPINE SUMMIT^{CPAs}

TAX, ASSURANCE, ACCOUNTING, ADVISORY

January 9, 2024

Re: Reporting Requirement for Form 1099 & W-2/W-3

Dear Client,

Forms 1099-NEC (for non-employee compensation) and Form W-2 & W-3 are due January 31, 2024. This deadline applies regardless of whether the forms are filed electronically or on paper. Forms 1099-MISC are due February 28, 2024 for paper filings or March 31, 2024 for electronic filings.

Federal law requires businesses (as well as non-profit organizations) to issue Form 1099-NEC and 1099-MISC to all non-employee and non-corporate payees receiving \$600 or more during the year for services rendered to your trade or business or rents paid on behalf of your business. These 1099 forms must be distributed to such payees *no later than January 31, 2024*. Penalties for failure to timely file Form 1099 range from \$50 to \$580 per information return. A similar penalty also applies for failure to provide correct payee statements in addition to the information reporting penalties. The above due dates and penalties also apply to Form W-2 & Form W-3 reporting.

If you receive rental income from real estate and engage in a trade or business, you are subject to the same filing requirements as stated in the above paragraph. You are engaged in a trade or business if you operate for gain or profits.

It is also important to have your independent contractors complete Form W-9, Request for Taxpayer Identification Number and Certification. The form can be used to request the correct name and taxpayer identification number of TIN of the workers.

If you would like us to prepare your 2023 Form 1099-NEC, 1099-MISC, or W-3/W-2's please provide the required information as soon as possible. Please contact us to ensure you have gathered all necessary information. Due to our increased workload at this time of year, we cannot guarantee that requests received after January 17, 2024 will be filed on a timely basis.

We appreciate this opportunity to be of service to you. Should you have any questions, please contact Niki Amos at 208-777-1099 or niki@andersonbros.cpa

Sincerely

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office (208) 777-1099 fax (208) 773-5108

1810 E Schneidmiller Ave #310

Post Falls, ID 83854