

# 1099 PRICING AND POLICY FOR 2024 FORMS

For 1099 Preparation we charge by the form as follows:

- Each 1096 - \$65.00
  - If there are multiple 1096's present, a credit may be applied to your bill for the additional transmittal forms.
- Each 1099 - \$16.50 existing recipients
  - This is \$16.50 per 1099 recipient, and it covers the cost of the recipient copy, a copy for the employer and electronic upload to the IRS and any applicable states if required.
- Each 1099 - \$24.00 new recipients
  - This is \$24 per 1099 recipient for each new recipient we must set up in our system. It covers the cost of the recipient copy, a copy for the employer and electronic upload to the IRS and any applicable states if required.
- For each **completed** W-9 the client provides for their contractors, they will receive a \$2 credit.
- Accounting Time – we charge \$140 per hour for any billable time invested in acquiring information on behalf of the client such as extracting the data from QuickBooks, follow up on incomplete W-9 forms or verification of account information.
- Rush Fee – If you provide your information to our office after January 20<sup>th</sup>, we will add an additional 10% fee for processing the forms after our internal cutoff date.

These are the types of 1099s our office will prepare:

- 1099 Miscellaneous:
  - Rents
  - Royalties
  - Other Income
- 1099 NEC
  - Non-Employee Compensation (Contract Workers/Attorneys)
- 1099 Interest:
  - Interest Income
- 1099 Dividends & Distributions
  - Ordinary Dividends
  - Qualified Dividends

Each different Type of 1099 requires its own 1096 as a transmittal form. Therefore, if you have a 1099 Miscellaneous for Rent and/or Non-Employee Compensation you will need a 1096 for the 1099-Misc(s). However, if you also have a 1099 for Interest Income, you will need a separate 1096 for the 1099-Int. You only need one 1096 per Type of 1099. If you have 10 - 1099 Miscellaneous recipients and 2 Interest Income recipients, then you will need 1 - 1096 form and 10 - 1099 forms for the miscellaneous recipients and 1 - 1096 form and 2 1099 forms for the interest income recipients.

You must submit information to our office prior to January 20<sup>th</sup> to guarantee timely preparation and electronic filing of the 1099 forms. These forms are due to the IRS no later than January 31<sup>st</sup> of each

calendar year for the prior tax year. If you submit your information after January 20<sup>th</sup>, a 10% rush fee will be added to the cost of preparation of your 1099's.

Once we have completed your 1099s and they have been printed, if you discover an error you need to contact our office immediately so that we can correct the form prior to uploading the form. If it is discovered the error was made by our office we will correct the error and issue new 1099's at no cost to you. However, if the error is caused by incorrect information provided to our office by you, the cost of correcting the error is as follows:

- If the error is caught prior to electronic upload:
  - \$6 per 1099 corrected
  - \$11 per 1096 corrected
  
- If the error is caught after the 1099's has been uploaded to the IRS and a "corrected" form is required to be filed:
  - \$11 per 1099 corrected – 1 step
  - \$26 per 1096 corrected – 1 step
  - \$16 per 1099 corrected – 2 steps
  - \$36 per 1096 corrected – 2 steps

These reprocessing fees are necessary to cover the cost of additional staff time to correct the errors, to upload the files and for the supplies needed to reprint and possibly mail out the new/corrected forms.

If you realize you gave us incorrect information and contact our office immediately, if we have not finished processing and printing your forms, we will make the correct changes internally on your behalf without additional cost to you.

As stated above, these forms are due to the IRS via electronic upload (due to the size of our office we are required to electronically upload all 1099 forms) on or before January 31<sup>st</sup> of each year. If you fail to provide information to our office in a timely manner and you still need 1099's issued, we still recommend you file the 1099's as soon as you discover you are required to issue them. However, the IRS is now assessing penalties for late filing of 1099's as follows:

- If filed within 30 days of the original due date; **\$100 penalty** as follows:
  - \$50 penalty for failure to file timely with the IRS
  - \$50 penalty for failure to provide correct payee statements timely
- If filed after 30 days but prior to August 1 of the of same calendar year; **\$220 penalty** as follows:
  - \$110 penalty for failure to file timely with the IRS
  - \$110 penalty for failure to provide correct payee statements timely
- After August 1<sup>st</sup> of same calendar year; **\$540 penalty** as follows:
  - \$270 penalty for failure to file timely with the IRS
  - \$270 penalty for failure to provide correct payee statements timely
- Intentional Disregard: if you knowingly fail to provide correct statements and file with the IRS, there is a minimum of **\$1,100 penalty** as follows with NO maximum:

- \$550 penalty for failure to file timely with the IRS
- \$550 penalty for failure to provide correct payee statements timely

Additionally, if our firm prepares a tax return for your business or sole proprietorship and while preparing your return we determine that you should have issued 1099's and did not, we will NOT claim the expense on your tax return for any costs that should have had a 1099 issued and did not. For example, if you pay yourself Rent through your S-Corporation, but you do not issue yourself a 1099, we will not allow the deduction of the Rent on your business return as you did not follow IRS protocol which would allow the legal deduction of this expense. However, we will still be required to claim the Rent income on your personal return as you did receive the income. If we do not show it as rent, then it will be shown as a shareholder distribution or possibly a taxable dividend if required.