

FORM 1099 TAX REPORTING PROCEDURES

Washington State Square and Folk Dance Federation

FILING FORM 1099 FOR CALLERS AND CUERS:

Any person or organization that pays \$600 or more in a calendar year to any individual for services rendered is supposed to file an information return with the IRS, with a copy to the payee. This would apply to square dance clubs paying callers, teachers, and cuers. When contracting with such a party, the club should request from them a completed IRS Form W-9 that provides their tax ID number. If that party indicates on line 3 of the W-9 that it is a corporation or is a LLC that is classified as a corporation, then no Form 1099 is required. The Form W-9 should be retained for four years. The \$600 is for a calendar year regardless of when your club's fiscal year ends.

STEPS:

1. You might prefer to use a vendor that allows you to e-file the Form 1099-MISC, in which case you need not file a Form 1096. A couple such inexpensive vendors are: <https://www.1099online.com/> and <https://www.taxbandits.com/>
2. Obtain Forms 1099-MISC and 1096 from the IRS. You can call the IRS at 1-800-829-3676 or order from the website www.irs.gov/orderforms, then click on Online Ordering for Information Returns and Employer Returns. You must file originals, copies are not acceptable. Downloaded copies are also unacceptable. Be sure you get forms for the right year.
3. You will need the tax ID numbers of the callers and cuers.
4. Complete a Form 1099-MISC for each individual. Presuming they are under contract and not employees, fill in Box 7 with the amount your club paid them for the calendar year. You probably don't need to fill in any of the other numbered boxes.
5. Summarize the 1099s on Form 1096.
6. Pay proper attention to the directions for each copy. Send the original (front) copies to the IRS at the address given on the Form 1096. Retain the Copy C for your records. Send the other copies to the recipients. Due date for filing these forms and providing copies to recipients is January 31st.
7. Foreign caller/cuer income does not have to be reported. According to the Canada/USA Tax Treaty, Article XV, Income from Employment – Income is not taxable if it does not exceed \$10,000.

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