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Form 1099 MISC Explained Course Instructions

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Instructions to Participants

To assist the participant with navigating the learning process through to successful completion, this course has been produced with the following elements:

Overview of Topics / Table of Contents: In this electronic format you'll find a slide menu on the left side of the screen. This serves as your overview of topics for the program. You may navigate to any topic by clicking on the slide name.

Definition of Key Terms / Glossary: You'll find key terms defined for this program in the course information on the following page(s).

Index / Key Word Search: You can find information quickly in the PDF materials (slide handout plus any additional handouts) by using the search function built into your Adobe Reader.

Review Questions: Questions that test your understanding of the material are placed throughout the course. You'll see explanatory feedback pop up for each incorrect answer, and reinforcement feedback for the correct answer for every review question.

Final Exam: The final exam measures if you have gained the knowledge, skills, or abilities outlined in the learning objectives. You may submit your final exam at the end of the course. Exams are graded instantly. A minimum score of % is required to receive the certificate of completion. **You have one year from date of purchase to complete the course.**

Course Evaluation: Once you have successfully passed your online exam, please complete our online course evaluation. Your feedback helps Wolters Kluwer maintain its high quality standards!

About This Course

This section provides information that is important for understanding the course, such as course level and prerequisites. Please consider this information when filling out your evaluation after completing the course.

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Course Description

Form 1099 filing season is more intense than ever. Whether you are new or seeking an update this course will provide Accounts Payable, Payroll, and Tax with plain English guidance to help minimize 1099-NEC and 1099-MISC mistakes while breaking down the toughest 1099 payee and payment reporting situations as part of an in depth box-by-box review of the Form 1099-MISC.

In this course, industry expert and corporate tax attorney Steven D. Mercatante Esq. takes a look some of the more common problems experienced by accounts payable and tax departments related to documenting, validating, and reporting payee information on IRS Form 1099-MISC. He identifies key issues and best-practices for addressing them.

The new Form 1099-NEC and revamped Form 1099-MISC are the most common information return businesses, estates, trusts, colleges, universities, non-profits, and others are required to file for payments made to non-employees. These are also the Forms 1099 that most commonly has errors identified by the IRS. In this course you will learn what can you do NOW to prepare the Form 1099-NEC and Form 1099-MISC while avoiding notices of error from the IRS via developing best practices and exercising due diligence collecting and validating data to be included on the Forms 1099-NEC and 1099-MISC.

At the completion of this course you will have the tools necessary to evaluate the W9 and prepare both the Form 1099-NEC and Form 1099-MISC with all the boxes properly completed.

Learning Objectives

Upon successful completion of this course, participants should be able to:

- Identify the Form 1099-MISC's trickiest boxes given the release of the 1099-NEC, dramatic modifications to the 1099-MISC, and new changes in the law rent, leases, prizes and awards, hotel payments, when to report freight payments, recognize which 1099-NEC versus 1099-MISC boxes to report attorney and settlement payments, decode what "damages" payments mean for AP purposes
- Differentiate between box 6 and 1099-NEC box 1 medical service provider payments, discover when the reporting does not always follow the payment, determine which forms to report non-qualified deferred compensation
- Identify W-9 document validation best practices with a focus on situations when multiple names are provided, handling undocumented payees, exempt organization payees, and IRS TIN Match Program best practices
- Identify categories of payees and payments that are both reportable and not reportable, plus identify service payments that also require the reporting of a related good

- Discover recent 1099-MISC changes including what the new Form 1099-NEC means for 1099-MISC reporting
- Recognize how to identify the reportable payee when you pay sole proprietors, LLCs, payee's merged or bought by another, S-Corps, agents, or middlemen

NASBA Field of Study

Taxes. Some state boards may count credits under different categories—check with your state board for more information.

Course Level

Basic. Program knowledge level most beneficial to CPAs new to a skill or an attribute. These individuals are often at the staff or entry level in organizations, although such programs may also benefit a seasoned professional with limited exposure to the area.

Prerequisites

None.

Advance Preparation

None.

Course Expiration

AICPA and NASBA Standards require all Self-Study courses to be completed and the final exam submitted within 1 year from the date of purchase as shown on your invoice. No extensions are allowed under AICPA/NASBA rules.

Key Terms

- **Backup Withholding:** Monies withheld in the event a payee refuses to provide their TIN to a requesting payor
- **Chapter Three:** Section of Internal Revenue Code dealing with payments of U.S. sourced income made to Non-Resident Aliens
- **IRS:** Internal Revenue Service
- **Non-Resident Alien:** IRS Term for Non-U.S. Person
- **Resident Alien:** A 1099 reportable payee if not one's own employee
- **TIN:** Taxpayer Identification Number
- **U.S. Person:** an entity incorporated under the laws of one of the 50 U.S. States or an individual born within the United States
- **W-9:** Primary IRS form used for documenting and validating payments made to U.S. Persons