

Nichols & Company

CERTIFIED PUBLIC ACCOUNTANTS

BIZ FORWARD

December 2025

Important 1099 Information - Please Read!

Dear Valued Client,

We are writing because we have either prepared 1099s for you in the past or you have indicated you might need assistance preparing these forms. Here is what you need to know:

Form 1099 is primarily used to report payments to: unincorporated subcontractors, rents, and legal fees paid to an attorney. **Any payments totaling \$600 or more must be reported.**

If you have your 1099 information together and would like our help preparing and filing the forms, please complete this intake form and include the following for each recipient:

- correct spelling of names
- complete address
- social security number or federal ID number
- the amount paid to them in 2025

If you use **QuickBooks**, you may prefer to print this information directly from the software.

Once your intake form is complete, you can return everything to us using one of the following methods:

- drop it off at our office
- mail it to our office
- fax it to 614-891-1435 (*Please call us to confirm we have received your fax.*)
- email it (*You must call the office first to request a secure link.*)

Our fee for 1099 preparation will include a \$125 set-up fee and \$25 processing fee per 1099 issued. If you would like us to mail the 1099s on your behalf, we also will charge the current price of postage per form. **We strongly suggest submitting your 1099 information to us by January 19, 2026.** Anything received after this date will incur an additional \$30 Rushed Processing Fee. Once we have completed your 1099s, we will e-file the forms to the IRS and email the invoice and your copies to you.

Remember: By law all 1099s must be filed, and all recipients of the 1099 should receive their copy of the form, no later than February 2, 2026.

The IRS penalties in effect are as follows:

- \$60 penalty per 1099 for filing after Feb 2nd but before it's 30 days late
- \$130 penalty per 1099 for filing more than 30 days late and before August 1
- \$340 penalty per 1099 for filing on or after August 1
- \$680 penalty per 1099 for intentional failure to file

(PLEASE NOTE: We must indicate on your tax return if 1099s are required. If you are required to file them and don't, the IRS may contact you.)

Contractors must provide you with a completed [Form W-9](#) and proof of BWC coverage. Without proof of coverage, you should report the contractor's payments on your own BWC report.

Also, the name on the Form 1099 must match the name shown on the social security card when a social security number is provided. This information can be verified at IRS.gov through their online [TIN Matching](#). (Note: You'll need to register for their e-services first.)

If you have any questions or concerns regarding 1099s, please contact our office at 614-891-5423. We hope you have a wonderful holiday season and wish you a prosperous New Year!

Sincerely,

Nichols & Company, CPAs

Helpful hints to avoid errors:

- The name on line 1 must match the SSN or EIN provided. Often times contractors will list their LLC name but enter an EIN.
- A SSN should tie to an individual's name; an EIN should tie to the business name.

**PLEASE COMPLETE & RETURN THIS PAGE
BY JANUARY 19, 2026 TO GUARANTEE TIMELY PREPARATION.**

General Information

Your name and address as you would like it to appear on form(s).

BUSINESS NAME: _____

EIN/SSN: _____

ADDRESS: _____

CLIENT NAME: _____

CONTACT NAME (IF DIFFERENT): _____

CONTACT PHONE #: _____

EMAIL: _____

Would you like us to mail completed 1099s to recipients? **Yes** **No**

**If yes, postage will be added to the preparation invoice.*

All 1099 government copies will be electronically filed with the IRS. Your copies will be emailed to you.

If you prefer to provide recipient information in a Word, Excel, or QuickBooks file, please upload it securely through this [Secure Link](#).

1099 RECIPIENT INFORMATION

NAME	ADDRESS	SSN/ EIN	AMOUNT PAID	Contract Labor (NEC), Rent, Interest, Dividends or Mortgage Interest
John Doe	2 Far Drive Westerville, OH 43082	111-22-3333	\$xxx.xx	Contract Labor

Total amount paid to 1099 vendors (listed above): \$ _____