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Your IRS Form 1099 Is Late, But Do You Really Need It For Your Taxes?

IRS Forms 1099 are important, tipping off the IRS and your state how much you were paid for the year. But do you really *want or need* all those forms? IRS Forms 1099 remind you that you earned interest, received a consulting fee, or were paid some other kind of income. Each Form 1099 is matched to your [Social Security number](#), so the IRS can easily spew out a tax bill if you fail to report one on your taxes. If you don't include the reported item on your tax return, you can expect an IRS notice or bill. In fact, you're almost guaranteed an audit or tax notice if you fail to report a Form 1099. But do you really *have* to have it? Not necessarily. Unlike Forms W-2, you don't file Forms 1099 with your return. You need Forms 1099 that report dividends and stock proceeds that you might not otherwise know about. But for many other Forms 1099, if you know about your payment, you don't really need the form. One possible exception: the IRS suggests that if you don't receive a Form 1099-R, you should ask. But in other cases—say a Form 1099-MISC or the [new gig Form 1099-NEC](#), you actually don't need it.



You need to report what you were paid, of course, but you need need a Form 1099 to do that, just report your income. And a useful cross-check is to ask the IRS for a transcript of your account. It will show all Forms 1099 issued under your Social Security number. That is better than asking for a Form 1099, especially for something like a lawsuit recovery, where asking for the form might end up triggering one that would not have been issued, or triggering duplicates. In the latter case, the IRS might think you had twice the income you did. Besides, getting a transcript is a useful way to double check your information. Forms 1099 can contain mistakes or may not even go to your correct address. Even if the Form is sent to your *old address*, the information will be reported to the IRS based on your Social Security number.

Make sure payers have your correct address so you get a copy. Update your address directly with payers, and put in a forwarding order at the U.S. Post Office. It's also a good idea to file an IRS change of address [Form 8822](#). The

IRS explains why at [Topic 157 – Change of Address–How to Notify IRS](#). Forms 1099 come in many varieties, including [1099-INT](#) for interest, [1099-DIV](#) for dividends, [1099-G](#) for tax refunds, [1099-R](#) for pensions, and [1099-MISC](#) for miscellaneous income. Then there is the [new Form 1099-NEC for independent contractors](#). In the past, you used 1099-MISC, but for 2020 payments use new [Form 1099-NEC](#) for consulting payments and any other form of independent contractor pay. If you receive a Form 1099 that you think is wrong, there are several ways of making a correction. The company that paid you (that issued the Form 1099) can destroy the incorrect Form 1099 if they have not already sent a copy to the IRS. If they have already sent a copy to the IRS, they can issue a corrected Form 1099. A corrected Form 1099 will supersede the incorrect one.

Incorrect Forms 1099 are not uncommon, and the regulations on these forms are complex and voluminous. Many companies interpret the 1099 regulations broadly, erring on the side of reporting if there is ever any question. When in doubt, issue a Form 1099, many say. A few observers may even think of issuing IRS Forms 1099 in a kind of punitive way, to turn the tax tables on someone. But whatever your situation, pay attention to these forms, and if consider getting a transcript from the IRS to doublecheck that you know about each one, even if your copy did not arrive in the mail.

Check out my [website](#).