## **Forbes**

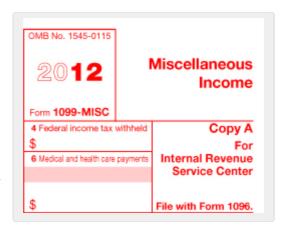


## Robert W. Wood THE TAX LAWYER

Jan. 30 2013

## Didn't Receive A Form 1099? Don't Ask

It's that time of year again when tax reports show up in the mail. You need your Form W-2 from your employer. It gives your wages and taxes withheld, and you attach a copy to your return. Employers are supposed to mail them out by January 31st. If you don't receive it by early February, you should ask.



The other form you are sure to receive is IRS Form 1099. In fact, you may receive many. In contrast to Forms W-2, though, you don't file Forms 1099 with your return. They 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. These forms are sent by payors to you and the IRS.

Although most Forms 1099 arrive in January, some companies issue the forms throughout the year when they issue checks. See <u>I'm Sending An IRS 1099: 1099 Are You Outta Your Mind?</u> **Whenever** they come, don't ignore them. Information reporting has become the centerpiece of IRS enforcement efforts. Each form includes your Social Security number. If you don't include the reported item on your tax return, bells go off. See The Truth About IRS Forms 1099.

You should want to know about each Form 1099 you receive. In my opinion, though, if you don't receive a Form 1099 you expect, don't ask for it. Just report the income. Reporting *extra* income that doesn't match a 1099 is not a problem. Only the *reverse* is a problem.

One possible exception? The IRS suggests that if you don't receive a Form 1099-R, you should ask. However, don't ask about most 1099s, including the common Form 1099-MISC. Why do I suggest not asking?

If you call or write the payor asking for a Form 1099, the payor may issue it incorrectly. Alternatively, you may end up with two, one issued in the ordinary course (even if you never received it), and one issued because you asked for it. The IRS computer might end up thinking you had twice the income you really did.

Robert W. Wood practices law with <u>Wood LLP</u>, in San Francisco. The author of more than 30 books, including Taxation of Damage Awards & Settlement Payments (4th Ed. 2009 with 2012 Supplement, <u>Tax</u> <u>Institute</u>), he can be reached at <u>Wood@WoodLLP.com</u>. This discussion is not intended as legal advice, and cannot be relied upon for any purpose without the services of a qualified professional.