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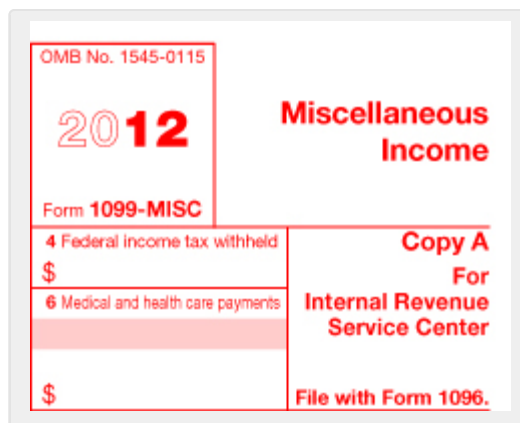
THE TAX LAWYER

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### Filing Your Taxes? 4 Key Facts About IRS Form 1099

Every employee receives a [Form W-2](#) reporting annual pay and the taxes taken out. Include a copy with your tax return. Forms 1099 are equally important, maybe more so. See [1099 Or W-2?](#)

Forms 1099 are a vital part of IRS computer matching. IRS computers check each one against your tax return. Here are key facts about the 1099s hitting your mailbox soon. See [Watch Your Mail For 1099s.](#)



**1. Timing and Address.** Businesses send out the forms by Jan. 31 for the prior year. There are many varieties, including [Form 1099-MISC](#) to report any payment of \$600 or more. If you move, place a forwarding order with the Post Office. You'll want to see any forms the IRS sees. The information is reported to the IRS (and state tax authorities) based on your Social Security number.

**2. Report Errors Immediately.** Issuers must mail Forms 1099 to taxpayers by Jan. 31, but have until February 28 to send copies to the IRS. If there's an error, tell the issuer immediately. There may be time to correct it **before** it goes to the IRS. If the issuer has already dispatched it

to the IRS, ask them to issue a corrected form. If you disagree with the information on the form but you can't convince the payer you're right, explain it on your tax return. See [I'm Sending An IRS 1099: 1099 Are You Outta Your Mind?](#)

**3. Report Every One.** Every Form 1099 includes your Social Security (or taxpayer identification) number. That's how the IRS matches Forms 1099 to your tax return. If you forget to report a payment, the IRS will send you a computer-generated notice with a bill for the tax. Every year the IRS sends millions of notices asking for more money based on matching 1099s.

**4. Don't Ask.** Keeping payers advised of your current address is a good idea, as is reporting errors to payers. But if you *don't* receive a Form 1099 you expect, don't ask for it. If you are expecting a Form 1099, you know about the income. Just report that amount honestly on your tax return. The IRS computers have no problem with that. See [The Truth About IRS Forms 1099](#).

If you call or write the payer asking for a 1099, you may get an incorrect one or even may end up with two, one issued in the ordinary course (even if it never got to you) and one issued because you called. The IRS computer might end up thinking you had twice the income you really did.

Take these forms seriously. The IRS does.

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