



What Are Form 1099 Requirements and How They Apply to State Councils

The IRS has rules about the forms an organization must file if they have paid for personal services and/or other forms of nonemployee compensation. **These rules are federal requirements and apply to all state councils regardless of their tax exempt status.**

The most common 1099 form is Form 1099-MISC. An organization is required to complete Form 1099-MISC for all individuals, sole proprietors and partnerships to which they paid \$600 or more during the calendar year for personal services rendered. The rules require that an organization send a Form 1099-MISC to payees by January 31. The forms must also be filed with the IRS by February 28. It is important to have the payee's correct taxpayer identification number or social security number, name, and address. A Form W-9 can be used for this purpose.

Most ENA state councils have engaged CPA firms to prepare their annual filings including Forms 1099. In this regard, the state treasurer sends the Forms W-9 to the CPA as collected or at yearend. It is the responsibility of the treasurer or CPA to determine if the total payments to an individual equal \$600 or more for the year, therefore requiring a Form 1099.

The most common payments for personal services subject to Form 1099 are payments for speaker fees and/or for TNCC/ENPC/CATN instructors or course directors. Note: the state council's Form 1099 responsibility applies only to *payments made directly by* the state council. For example, if a course instructor teaches in a course sponsored by a state council, but is paid for their services directly by their employer or other entity, not the state council, the Form 1099 is the responsibility of the payor, not the state council.