

To: Business Clients
From: McLaren & Co., P.C.
Date: January 22, 2010
Re: Form 1099-MISC

Internal Revenue Service Requirements for Filing of Form 1099-MISC

All businesses must file Form 1099-MISC for the following types of payments to an individual, partnership, limited liability company (LLC) or estate:

- 1) at least \$600.00 in rents, services, prizes and awards, medical & health care, and other income payments made in the normal course of business
- 2) Attorney fees of \$600.00 or more, or the total amount paid to an attorney if the fee cannot be determined

Payments to corporations generally do not need to be reported on Form 1099-MISC, with the exception of payments made for legal services or health care.

The information needed to complete Form 1099-MISC is:

- 1) Recipient's full name
- 2) Recipient's full address
- 3) Recipient's Social Security number or Federal Identification number
- 4) The total payments made in 2009 to each recipient

Items 1, 2 and 3 should be obtained from the payee by requesting that the payee complete Form W-9. Copy the enclosed blank form whenever you have a new vendor. Keep your W-9 in a file. If you do not have a Form W-9 from the payee, you are required to withhold and pay 28% of the gross amount to the US Treasury.

You must furnish Forms 1099-MISC to recipients by January 31, 2010 and to the IRS by February 28, 2010. If you have made payments in the course of your business that are required to be reported on Form 1099-MISC, or require assistance in determining your filing responsibilities, please contact our office as soon as possible.