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RE: Preparing & Issuing 2024 1099-NEC, 1099-MISC & 1099-DIV Forms

Dear Tax Client:

1099-NEC and/or 1099-MISC forms to be issued by you for specific payments made in the course of your trade, business or rental property are defined and detailed below, as well as details for 1099-DIV forms as applicable. Please provide our office with the following information to prepare your 1099-NEC, 1099-MISC and/or 1099-DIV forms as soon as possible (no later than **January 15, 2025**):

- Name & Address of Payer & Payer's Tax Identification Number
- Name & Address of Recipient Paid & Recipient's Tax Identification Number
- Identify "Details of the Specific Type of Payments Made" to each Recipient (see instructions below)

Due dates for Filing and Issuing 1099 forms are as follows:

- **Form 1099-NEC**
  - (a) File forms to IRS by **January 31, 2025**
  - (b) Issue forms to recipients by **January 31, 2025**
- **Form 1099-MISC**
  - (a) File forms to IRS by **February 28, 2025** (by paper) or by **March 31, 2025** (e-File)
  - (b) Issue forms to recipients by **January 31, 2025**
- **Form 1099-DIV**
  - (a) File forms to IRS by **February 28, 2025** (by paper) or by **March 31, 2025** (e-File)
  - (b) Issue forms to recipients by **January 31, 2025**

If you do not have the tax IDs for each recipient to receive a 1099 form, please send each person or entity a W-9 form to complete to get the information. It is important that you are in compliance with IRS regulations on 1099s. As such, require new vendors to complete a W-9 form before they are paid, and request that the vendors you do business with submit a new W-9 form annually. A blank W-9 form is available on the IRS website as follows:

<https://www.irs.gov/pub/irs-pdf/fw9.pdf>

**DETAILS OF SPECIFIC TYPE OF PAYMENTS FOR 1099 FORMS TO BE ISSUED**

1. These 1099 forms need to be issued by you for the following specific type of payments made in the course of your trade, business or rental property. This includes services paid for repairs/improvements, independent contractors and attorneys which you will be deducting on your 2024 tax return. Note that payments made to corporations, S corporations or LLCs (unless they are a law firm or medical/healthcare provider) that elect to be taxed as a corporation are **excluded** from this requirement. **Take a conservative approach to 1099s. Whenever there is a doubt, send one out:**

Provide details to us by specific line and amount as follows:

• **Form 1099-NEC**

- (a) Payments of at least \$600 in (provide detail by line and amount):

- Services performed by someone who is not your employee
- Cash payments for fish (or other aquatic life) you purchase from anyone engaged in the trade or business of catching fish
- Payments for attorney fees (such as for general business matters), even if payment is made to a corporation

- (b) You must also file Form 1099-NEC for each person from whom you have withheld any federal income tax under the backup withholding rules and/or state income tax withheld, regardless of the amount of the payment

• **Form 1099-MISC**

- (a) Payments of at least \$10 in royalties or broker payments in lieu of dividends or tax-exempt interest

- (b) Payments of at least \$600 in:

- Rents
- Prizes and awards
- Other income payments
- Generally, the cash paid from a notional principal contract to an individual, partnership, or estate
- Any fishing boat proceeds
- Medical and health care payments
- Crop insurance proceeds
- Gross proceeds paid to an attorney in connection with legal services but not for the attorney's services
- Section 409A deferrals
- Nonqualified deferred compensation

- (c) You must also file Form 1099-MISC for each person from whom you have withheld any federal income tax under the backup withholding rules and/or state income tax withheld, regardless of the amount of the payment

2. **Form 1099-DIV**

- You are required to file Form 1099-DIV for each person:

- (a) To whom you have paid dividends (including capital gain dividends and exempt-interest dividends) and other distributions valued at \$10 or more in money or other property,
- (b) For whom you have withheld and paid any foreign tax on dividends and other distributions on stock,
- (c) For whom you have withheld any federal income tax on dividends under the backup withholding rules, or
- (d) To whom you have paid \$600 or more in money or other property as part of a liquidation.

- Provide details to us by specific line and amount as follows:
  - (a) Ordinary Dividends
  - (b) Qualified Dividends
  - (c) Total Capital Gains Distributions
  - (d) Unrecap. Sec. 1250 Gain
  - (e) Section 1202 Gain
  - (f) Collectibles (28%) Gain
  - (g) Section 897 Ordinary Dividends
  - (h) Section 897 Capital Gain
  - (i) Nondividend Distributions
  - (j) Federal Income Tax Withheld
  - (k) Section 199A Dividends
  - (l) Investment Expenses
  - (m) Foreign Tax Paid
  - (n) Foreign Country or U.S. Possession
  - (o) Cash Liquidation Distributions
  - (p) Noncash Liquidation Distributions
  - (q) FATCA Filing Requirement
  - (r) Exempt-Interest Dividends
  - (s) Specified Private Activity Bond Interest
  - (t) State Information (State, ID #, Tax Withheld)

Please let us know if you have any questions related to this procedure. Thank you for your assistance.

JPT FINANCIAL SOLUTIONS, INC.