

RLB CPA'S, INC.

ACCOUNTING & TAX SERVICES

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Every **person, partnership or corporation** engaged in a trade or business must file information returns for each calendar year for certain payments made during such year in the course of the Payee's trade or business.

NEW FORM 1099-NEC - Use Form 1099-NEC to report nonemployee compensation payments of \$600.00 or more instead of Form 1099-MISC, box 7.

THE FILING DEADLINE FOR FORM 1099-NEC TO THE IRS – When reporting payments for non-employee compensation, file Form 1099-NEC to both the recipient and to the IRS by JANUARY 31, 2022.

The following information returns are to be furnished to both the **RECIPIENTS** and the **INTERNAL REVENUE SERVICE**:

FORM 1099-DIV Corporate payer of dividends of \$10.00 or more, except \$600 or more for liquidations.

FORM 1099-INT Payer of interest of \$10.00 or more.

FORM 1099-MISC Payer of \$600.00 or more in: rents, royalties, prizes and awards that are not for services, and medical and health care payments. Please note that you must include the actual name of the proprietor if sending a Form 1099 to a sole proprietorship. Including the trade name of the business is optional and should go on the second line.

Payer of gross proceeds to attorneys for \$600.00 or more.

For the Taxpayer Identification Number (TIN), enter either the individual's SSN or the Employer Identification Number (EIN) of the business (sole proprietorship). The TIN must match the name reported.

FORM 1099-NEC Payer of \$600.00 or more of payments for services performed for a trade or business by entities not treated as employees. Please note that you must include the actual name of the proprietor if sending a Form 1099 to a sole proprietorship. Including the trade name of the business is optional and should go on the second line.

FORM 1099-R Payer of \$10.00 or more of Distributions from Retirement or Profit Sharing Plans.

FORM 1098 File this form if you are engaged in a trade or business and, in the course of such trade or business, you receive from an individual \$600 or more of mortgage interest on any one mortgage during the calendar year.

INFORMATION RETURNS FOR PAYMENTS TO A CORPORATION ARE NOT REQUIRED, EXCEPT FOR PAYMENTS FOR LEGAL SERVICES AND MEDICAL OR HEALTH CARE SERVICES.

The federal government requires ELECTRONIC FILING (previously magnetic media) of 1099 forms by some employers. If you are required to file **250 or more information returns, you MUST FILE ELECTRONICALLY**. The 250 or more requirement applies separately to each type of form.

Although employers may file hardship waivers for exemption from this requirement, it is our opinion that few who file waivers will be granted exemptions.

If you are subject to the electronic filing requirements and we do not prepare your 1099 forms, please contact our office so we can advise you as to how to proceed.

The due dates for the information returns are JANUARY 31, 2022 to the recipient and **JANUARY 31, 2022 to the Internal Revenue Service for Form 1099-NEC**. File all other paper returns to the Internal Revenue Service by FEBRUARY 28, 2022, MARCH 31, 2022 if filing electronically. All returns must have the recipient's taxpayer identification number on them.

Penalties apply for:

- a) Each failure to furnish the recipient's taxpayer identification number on information returns.
- b) Each failure to timely furnish correct statements to payees.
- c) Each failure to timely file correct information returns.

You should also be aware that there are questions on all business returns asking if 1099s are required to be filed and, if yes, have they been filed.

The Mansfield Income Tax Department requires the filing of earnings reports. Businesses located within Mansfield City limits are required to file an annual reconciliation for the year 2021 report. Copies of all 1099-NEC with non-employee compensation should be attached.

Businesses not located within Mansfield City Limits are required to report only amounts paid to recipients who are performing services in Mansfield.

Other cities may have different requirements, please check with that city or contact our office for guidance.

For those of you, who file your own information returns, be sure they are filed by JANUARY 31, 2022.

For those of you who have us file the information returns, please supply to us by JANUARY 14, 2022 the following information:

Both the recipient's NAME and recipient's BUSINESS NAME, address, taxpayer identification number, amount paid and what the payment was for i.e.; dividend, interest, rent, commissions, etc. The recipient's name must match the taxpayer identification number. This will enable us to prepare the returns and send to you for mailing by JANUARY 31, 2022.

*We offer electronic filing of 1099 forms for our clients. If for some reason you wish to file paper returns, please contact our office.

STATE OF OHIO NEW HIRE REPORTING PROGRAM

Ohio law requires that Independent Contractors must be reported as new hires. The Ohio Revised Code defines an employee as an individual who is employed to provide services for compensation to an employer **and includes an individual who provides services to an employer as an independent contractor for compensation that is reported as income other than wages and who is an individual, the sole shareholder of a corporation, or the sole member of a limited liability company.** No reporting is required for a professionally licensed person performing services under that license or for any payments where the contract for services is less than \$2,500.

All Ohio employers are required to report certain information on newly hired and rehired employees/subcontractors. If you have any questions relating to these reporting requirements, please contact our office.

OHIO ANNUAL REPORT OF UNCLAIMED FUNDS

The Ohio Annual Report of Unclaimed Funds is required to be filed annually by November 1, even if you have no unclaimed funds to report. All businesses that operate in the State of Ohio or hold funds due to Ohio residents are required to file an Annual Report of Unclaimed Funds. The only entities exempt from reporting are political subdivisions of the State, Counties, Cities, Townships and I.R.C. 501(C)(3) hospitals (Per section 169.01(D)(2) O.R.C.). If you have questions or need filing assistance, please contact our office.

OTHER IMPORTANT ITEMS FOR 2022

1. You should contact your accounting software vendor to get updated tax tables that support the 2022 tax requirements.
2. For the year 2022, the standard mileage rate for business driving will be 58.5 cents per mile.
3. The Ohio CAT annual return is due May 10th. The quarterly return filing due date is the tenth day of the second month after the quarter's end (May 10th, Aug 10th, Nov 10th & Feb 10th). If the filing due date falls on a weekend or holiday, the return is due on the next business day. A business with greater than \$150,000 gross receipts is required to register and pay the Ohio Commercial Activity Tax. All Ohio CAT returns are required to be filed electronically.
4. The current sales tax rate for Richland County is 7.00%. The current sales tax rates are available at the Ohio Department of Taxation's website at www.tax.ohio.gov.

Respectfully,

RLB CPA'S, INC.