



**AKT**<sup>®</sup>

CPAS AND BUSINESS CONSULTANTS

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January 2012

RE: 1099 Issuance Updates

Dear Client,

We want to remind you of your information return requirements as they apply to 1099s. 1099 forms are due to recipients by January 31, 2012. Please review your records and have completed W-9 forms signed by any individual, sole proprietor, partnerships, attorney, or LLC that has been paid more than the following amounts during the tax year:

**1099 MISC                    \$600**

Services, royalties, dividends, or was subject to backup withholding.  
Rents

Attorney fees even if paid to a corporation

**1099 INT                    \$10**

Interest paid during the course of business

**1099 DIV                    \$10**

Exempt interest dividends are now reported on 1099DIV

**Penalties**

The penalty for failure to file a 1099 is now \$30 per 1099 if correctly filed within 30 days, maximum penalty per year is \$250,000 or \$75,000 for a small business. \$60 per 1099 if file more than 30 days, but before August 1, maximum of \$500,000 or \$200,000 for a small business, and \$100 per 1099 if filed after August 1, or not filed, with a maximum of \$1,500,000 or \$500,000 for a small business

Please note, under current IRS regulations, we must inform you that any tax advice in this communication is not intended or written by AKT to be used, and cannot be used, by a client or any other person or entity for the purpose of (1) avoiding penalties that may be imposed on any taxpayer or (2) promoting, marketing or recommending to another party any matters addressed herein.

5665 SW Meadows Road, Suite 200, Lake Oswego, OR 97035  
Phone: 503.620.4489 Fax: 503.624.0817