Tabor
Accounting
Group

Phone 503-598-1011
Fax 503-620-3083
email: info@taboraccountinggroup.com

BRUCE R. TABOR CPA, PC
7501 SW Findlay Road
Durham, OR 97224

September 28, 2011

Re: **Form 1099 for calendar year 2011, due for filing January 31, 2012**

If you are in business, including owning rental property, and make payments of $600 or more (cumulative) during any calendar year to an individual (other than an employee), Partnership or LLC, you may be required to file Form 1099 with the Internal Revenue Service. Form 1099-MISC and Form 1099-INT are used to transmit yearly information to the Government for these payments for income tax matching purposes. It is not required to send Form 1099 to corporate entities.

The following payments made during the 2011 calendar year require 1099 reporting:

- Independent labor services
- Interest paid (over $10)
- Rent

The Payee copy of the form has a filing deadline of January 31, 2012. The Federal Copy must be filed by the end of February to avoid possible penalties.

The required information includes:

- Name and address of recipient
- Identification number of recipient (social security number for an individual or federal ID number for a business)
- Total amount paid to the individual during calendar 2011

We offer three different methods to complete the requirements of 1099 reporting:

1. SELF PREPARED: Obtain the 1099 forms from an independent source such as Staples or Office Depot. **IRS does not provide forms.** Compile the information in your office, complete and file the required forms in a timely manner. Please send copies to us for our records.

2. SELF COMPILED: Compile the information in your office, record the Name, Address, Identification number and total amount paid in 2011 on the 1099 data sheet provided by Tabor Accounting Group. For your convenience, you may fax the information to us at **503-620-3083**. Tabor Accounting Group will complete the 1099s, mail the payee copies and prepare the Federal reporting package as required. If you wish to use this option, **we must have the necessary information before January 15, 2012.** This service is included in our Annual retainer fee, which should be paid by this date also.

3. FULL SERVICE: Provide the necessary raw data, such as check stubs, etc., for Tabor Accounting Group to compile and total the relevant payments. Tabor Accounting Group will complete the 1099s, mail the payee copies and prepare the Federal reporting package as required. **We must have the necessary information before January 10, 2012.** This service will be provided for a small additional fee.

If you need more time, please let us know, keeping in mind that **the responsibility for timely filing is yours and can carry penalties** if not completed by the **required filing date**.

If you have not already received tax information from each recipient, we have enclosed an IRS Form W-9 for your use to request the missing information. Each recipient should complete the form to provide his tax information for your records.

We have also enclosed an example of an Independent Contractor agreement form. We strongly advise you to consider contacting your attorney to discuss legal issues regarding contractual arrangements with your subcontractors. Audits have confirmed that contractual agreements and insurance certificates should be on file for your subcontractors.

Thank you for your prompt attention to this matter. Please feel free to call our office if you have any questions.

Tabor Accounting Group