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independent contractors, and it is possible to receive more than one 1099-MISC if a recipient performed work for several business entities.

Nov. 05, 2014

The completed Form 1099-MISC illustrates the following example. Z Builders is a contractor that subcontracts drywall work to Ronald Green, a sole proprietor who does business as Y Drywall. During the year, Z Builders pays Mr. Green \$5,500. Z Builders must file Form 1099-MISC because they paid Mr. Green \$600 or more in the course of their trade or business, and Mr. Green is not a corporation.

9595 ☐ VOID ☐ CORRECTED

PAYER'S name, street address, city or town, province or state, country, ZIP or foreign postal code, and telephone no.		1 Rents		OMB No. 1545-0115	
Z Builders 123 Maple Avenue Oaktown, AL 00000 555-555-1212		\$		2014	
PAYER'S federal identification number		2 Royalties		Form 1099-MISC	
10-9999999		\$		Miscellaneous Income	
RECIPIENT'S identification number		3 Other income		4 Federal income tax withheld	
123-00-6789		\$		\$	
RECIPIENT'S name Ronald Green dba/ Y Drywall		5 Fishing boat proceeds		6 Medical and health care payments	
Street address (including apt. no.) 456 Flower Lane		\$		\$	
City or town, province or state, country, and ZIP or foreign postal code Oaktown, AL 00000		7 Nonemployee compensation		8 Substitute payments in lieu of dividends or interest	
Account number (see instructions)		\$ 5500.00		\$	
2nd TIN not <input type="checkbox"/>		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>		10 Crop insurance proceeds	
15a Section 409A deferrals		11 Market discount		12	
\$		\$		\$	
15b Section 409A income		13 Excess golden parachute payments		14 Gross proceeds paid to an attorney	
\$		\$		\$	
16 State tax withheld		17 State/Payer's state no.		18 State income	
\$		\$		\$	

Form **1099-MISC** Cat. No. 14425J www.irs.gov/form1099misc Department of the Treasury - Internal Revenue Service

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Copy A For Internal Revenue Service Center

File with Form 1096.

For Privacy Act and Paperwork Reduction Act Notice, see the 2014 General Instructions for Certain Information Returns.

It is helpful for tax filers to review the specific boxes on Form 1099-MISC, so that both issuers of the form as well as recipients can know the requirements and also look for errors. This form is used for a number of payment types that are reported as income for the recipient.

The most frequent use of 1099-MISC is for reporting payments for services to independent contractors, and it is possible to receive more than one 1099-MISC if a recipient performed work for several business entities.

The top of the form has a box for any 1099-MISC that is a corrected copy, where the

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the designated boxes.

- Box 1 is for rent paid from real estate properties, which is then reported as either investment or business income.
- Box 2 is for royalties from such properties as oil, gas and minerals, as well as royalties from patents.
- Box 3 is for other income that may fall outside the primary types listed and would also be included on the 'Other Income' line of Form 1040. Examples include prizes, awards or taxable damages from a lawsuit.
- Box 4 is for tax withheld on Indian gaming profits.
- Box 5 is for amounts received for work performed on a fishing boat where the owner considers you to be self-employed.
- Box 6 is for medical and health care payments made on your behalf.
- Box 7 is for all types of payments made for work services of non-employee independent contractors.
- Boxes 8 through 14 are for less common types of payments such as crop insurance proceeds and excess golden parachute payments.
- Box 15a and 15b are for listing nonemployee deferred income.
- Boxes 16-18 are for state and local income tax withheld by the payer, as well as the state number and state income.

Most issuers and recipients of 1099-MISC will primarily concerned with making sure that names and tax numbers are correct, as well as the exact amount of payments

made. Any discrepancies will require filing of an amended form, or a statement of

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