**NATIONAL’S POSITION ON 1099 REQUIREMENTS – 9/17/21**

**1099 Requirements for Services and for Rent Paid Directly to Landlords**

After extensive research and consulting with both the National Council auditor and attorney, the National Council believes that once the total payments made by a Council or Conference for services or for rent payments to a landlord equal or exceed $600 in a calendar year, a Form 1099 must be mailed to the recipient and filed with the IRS.

There are only a few exceptions to this requirement:

• Payments made to corporations

• Payments made to real estate agents or property managers acting on behalf of a landlord

• Payments made to tax-exempt organizations (including governments)

• Payments made via a third-party payment network (credit card, debit card or PayPal type service, but this does not include online bill payments)

All other payments for services or for rent payments to a landlord totaling $600 or more in a calendar year will trigger the Form 1099 filing requirement.

Keep in mind that Forms 1099 are filed together for entities sharing an EIN, and if Conferences share an EIN with their Council, the Council will be required to combine all payments made to a service provider or landlord during a calendar year. It is recommended that records be kept of all payments to service providers and landlords, and Forms W-9 be requested and retained before making any service or rent payment, even if the payment is below the $600 limit.

This is only a very brief summary of the rules. Councils and Conferences should review the complete IRS Form 1099 instructions and consult with their tax professionals for additional guidance. Additional materials and example documents are available on the National Council website at https://members.ssvpusa.org/information-for-members/irs-tax-information/.

While some Councils and Conferences may receive differing opinions from their advisors, we recommend that they make sure the source is a knowledgeable professional and that the guidance is well documented and received in writing.