



[The Administration's 1099 Proposal In The Budget](#)

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If you are interested in the latest proposal from the administration on the new Form 1099 requirements, this was what was included in the analytical perspectives that accompanied the budget. As you can see, the proposal does not completely do away with the requirement that persons in business issue Forms 1099 to corporations (except tax exempt corporations) with whom they do business.

Repeal and modify information reporting on payments to corporations and payments for property.—***Generally*** a taxpayer making payments to a recipient aggregating to \$600 or more for services or determinable gains in the course of a trade or business in a calendar year is required to send an information return to the IRS setting forth the amount, as well as the name and address of the recipient of the payment (generally on Form 1099). Under prior law this information reporting requirement did not apply to payments to corporations or payments for property. Effective for payments made after December 31, 2011, the Affordable Care Act expanded the information reporting requirement to include payments to a corporation (except a tax-exempt corporation) and payments for property. The Administration recognizes the burden that this expanded information reporting provision will put on small businesses and proposes to repeal the provision. Instead, the Administration proposes that a business be required to file an information return for payments for services or for determinable gains aggregating to \$600 or more in a calendar year to a corporation (except a tax-exempt corporation); information returns would not be required for payments for property. This proposal would be effective for payments made after December 31, 2011.

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