

The 2025 1099 Compliance Toolkit

A Plain Guide for Business Owners and Independent Contractors

Part 1: The W-9 Request Template (The Pre-Payment Step)

Please Complete a W-9 for 2025 Payment Compliance

To ensure the process of your vendor payments and maintain compliance with IRS reporting requirements for the 2025 tax year, it's required an updated **IRS Form W-9, Request for Taxpayer Identification Number and Certification**.

The W-9 provides with your correct legal name, business classification, and Taxpayer Identification Number (TIN). Without this form, you are legally required to withhold 24% of your vendor payment and remit it to the IRS (a process called Backup Withholding).

Please have your vendors complete and return the W-9 to you as soon as possible, but no later than [Set Your Internal Deadline, e.g., 7 Days] so you can issue their payment in full.

You can download the official IRS Form W-9 directly from the IRS website at:

www.irs.gov/formw-9

Part 2: The 2025 1099 Tax Calendar (The Deadline Tracker)

This is a simple list of the most critical federal deadlines for forms related to payments to contractors and vendors for the **2025 tax year (forms filed in early 2026)**.

General Rule: If a deadline falls on a weekend or holiday, it is automatically extended to the next business day.

DEADLINES DUE IN 2026

1. **January 31st:** Forms **1099-NEC** must be sent to the **Contractor/Recipient** (required for non-employee compensation of **\$600 or more**).
2. **January 31st:** Forms **1099-NEC** must be filed with the **IRS** (either paper or electronic).

3. **January 31st:** Forms **1099-MISC/B/S/DIV/INT** (most other 1099 series forms) must be sent to the **Recipient**.
4. **February 28th:** Paper filing deadline with the **IRS** for Forms **1099-MISC/B/S/DIV/INT** (if you file fewer than 10 total returns).
5. **March 31st: Electronic** filing deadline with the **IRS** for Forms **1099-MISC/B/S/DIV/INT**. (E-filing is mandated if you file 10 or more information returns in aggregate.)

Action Item: Add all relevant January 31st and March 31st deadlines to your primary business calendar **today**.

Part 3: NEC vs. 1099-K Payment Classification Checklist (The Confusion Eliminator)

This guide helps you quickly determine your reporting responsibility based on *how* payment was made.

The Golden Rule: You never issue a 1099-NEC for a payment if the contractor received the funds via a third-party settlement network (like a credit card, PayPal, or Stripe) that will be issuing its own 1099-K.

CLASSIFICATION GUIDE (For Payments ≥\$600 in 2025)

Situation	Who Files the Form?	Threshold & Form
Payment via Check, Cash, ACH, or Zelle (acting as a bank transfer)	YOU (The Business Paying)	You must issue Form 1099-NEC if the total paid for services is \$600 or more (and the recipient is non-corporate).
Payment via Business Credit Card (Visa, Mastercard, Amex, etc.)	The Credit Card Company/Processor	NO form is filed by the paying business (You). The payment processor handles the reporting via Form 1099-K.
Payment via Third-Party App (PayPal, Stripe, Square, Venmo for Business)	The Third-Party Processor	NO form is filed by the paying business (You). The platform handles reporting via Form 1099-K.
Recipient is a C-Corporation or S-Corporation	Generally, NO ONE (The Entity is Exempt)	Exception: You must still file a 1099-MISC for corporations receiving Medical/Health Care payments or Attorney payments (Fees/Gross Proceeds) if the payment is \$600 or more .
Payment for Rent, Awards, or Prizes	YOU (The Business Paying)	This requires Form 1099-MISC if the payment is \$600 or more . This is <i>not</i> reported on the 1099-NEC.

FINAL ACTION ITEM: As of today, review your accounting system for *all* vendors paying **\$600 or more** via check/ACH/cash and ensure you have a **W-9 on file** for each.

BOOK MY FREE 1099 COMPLIANCE REVIEW

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