

## Forms 1099 and Updates

As we approach the new year, we want to remind you of an important deadline: Forms 1099 must be prepared and provided to recipients by January 31, 2026. Filing on time helps you avoid penalties and ensures compliance with IRS regulations.

### Forms 1099: What You Need to Know

1. Form 1099-NEC: Reports payments of \$600 or more for services performed by nonemployees, such as independent contractors or service-providing partnerships.
2. Form 1099-MISC: Reports other payments of \$600 or more, including rent, prizes, awards, and medical or healthcare payments.
3. Form 1099-DIV: Reports dividends and distributions.
4. Form 1099-INT: Reports interest income.
5. Form 1099-K: Issued by payment processors (e.g., PayPal, Venmo) for payments exceeding \$20,000 and more than 200 transactions in 2025.
6. Form 1099-DA (**NEW for 2025**): Reports transactions involving digital assets like cryptocurrency and non-fungible tokens (NFTs).

### Exceptions:

**Corporations:** You generally do not need to issue a Form 1099 to businesses classified as C or S corporations. However, payments for legal services must be reported even if the recipient is a corporation.

**Thresholds:** A Form 1099 is required only if payments to a recipient total \$600 or more in 2025, except for Form 1099-K, which has a higher threshold of \$20,000 and 200 transactions.

### Action Steps For Filing Forms 1099

- **Collect Form W-9:** Request a completed Form W-9 from payees before making payments. This form provides their legal name, address, and Taxpayer Identification Number (TIN) and helps determine if reporting is required.
- **Track Payments:** Keep detailed records of all payments made to each payee throughout the year.
- **Issue and File:** If payments meet the \$600 threshold and no exceptions apply, issue the appropriate Form 1099 to the payee by January 31, 2026, and file it with the IRS.

### Note the following deadlines for filing with the IRS:

- Form 1099-NEC: January 31, 2026
- Form 1099-MISC: February 28, 2026 (paper filing) or March 31, 2026 (electronic filing)

### New 1099-DA Reporting For Digital Assets (Crypto, NFTs, etc.)

Starting in 2025, the IRS requires reporting of transactions involving digital assets (e.g., cryptocurrency, NFTs) using Form 1099-DA.

Brokers, such as centralized exchanges (e.g., Coinbase, Kraken), must report gross proceeds from sales, exchanges, or other dispositions of digital assets.

### Key Points For Form 1099-DA

- Brokers will issue Form 1099-DA by February 17, 2026.

- For 2025, brokers are only required to report gross proceeds. They are not required to include cost basis or wash sale information.

**How to prepare:**

- Gather detailed transaction records from all platforms, exchanges, and wallets used in 2025.
- Calculate your cost basis if your broker does not provide it.
- Consolidate all digital asset activity into one organized document for easier tax filing.

**Updates To Form 1099-K Reporting**

For the 2025 tax year, the IRS has reverted the Form 1099-K reporting threshold to its original requirements:

- **Threshold:** You will receive Form 1099-K only if you have over \$20,000 in total payments and more than 200 transactions through third-party payment processors (e.g., PayPal, Venmo, eBay)
- **Issuance Deadline:** Payment processors must send Form 1099-K by January 31, 2026
- **Taxable Income:** Even if you do not receive Form 1099-K, all income earned from the sale of goods or services is still taxable and must be reported on your tax return.

**Don't stress over compliance—we've got you covered.**

Our team offers full 1099 preparation and filing services to make this process simple and accurate. From determining who needs a 1099 to filing with the IRS, we handle it all so you can focus on your business.

**Ready to simplify your 1099 filings?**

Contact your Fiske Advisor today for expert guidance and hands-on support. We are here to help you navigate these changes and ensure a smooth tax filing process.