



QUICK REFERENCE GUIDE

for

2009-2010

1099 Information Returns

GEFFEN MESHER

& COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Table of Contents

What's New?		I
Section 1	1099 Information Reporting	1
	WHAT IS A 1099.....	1
	WHO MUST FILE 1099 FORMS?.....	1
	WHO AND WHAT PAYMENTS SHOULD BE REPORTED ON A 1099?.....	1
	WHEN AND HOW IS FORM 1099 FILED?	1
	ELECTRONIC FILING.....	2
	HOW DO I VERIFY TAXPAYER IDENTIFICATION NUMBERS (TINS)?	2
	HOW ARE PAYMENTS TO ATTORNEYS TO BE REPORTED?	3
	WHAT IS BACKUP WITHHOLDING?.....	4
	WHAT TYPES OF PAYMENTS ARE SUBJECT TO BACKUP WITHHOLDING?.....	4
	HOW IS BACKUP WITHHOLDING REPORTED AND TAXES PAID	5
	WHAT OTHER WITHHOLDING TAXES ARE THERE?	5
	WHERE DO I SEND THE COMPLETED 1099 FORMS?	5
	OREGON WITHHOLDING ON NON-PAYROLL ITEMS	6
	WHEN MUST 1099 FORMS BE FILED ON MAGNETIC MEDIA?.....	6
	SOME INFORMATION FORMS MUST CONTAIN A PHONE NUMBER ...	7
	PENALTIES.....	7
Section 2	1099 Forms and Codes	8
	1099-MISC sample form.....	8
	1099-R Codes	9
	945 Annual Return of Withheld Federal Income Tax	11
	945-A Pages 1 and 2, Annual Record of Federal Tax Liability	12
Section 3	Guide to Information Returns	14
Section 4	Types of Payments	16
Section 5	Ordering Forms and GMCO Staff Resources	17

Web Site

www.irs.gov

Forms and publications, General Instructions for Form 1099, 1098, 5498 and W-2G.

Where to File

All information returns filed on paper must use a 3-line mailing address.

For Oregon, Washington and California:

Department of the Treasury
Internal Revenue Service Center
Kansas City, MO 64999

Use of Magnetic Media

Enterprise Computing Center – Martinsburg (ECC-MTB) will no longer accept tape cartridges for returns filed after December 1, 2008. After that date, electronic filing will be the only acceptable method for filing information returns with ECC-MTB.

Due Dates**New Due Date for Furnishing Certain Information Returns to Recipients.**

February 15th of the year following the calendar year for which the return is required to be filed.

Public Law 110-343, Division B, Section 403, changed the due date for furnishing Copy B (recipient's copy) of the following information returns to be filed after 2008:

1099-B – Proceeds from Broker and Barter Exchange Transactions

1099-S – Proceeds from Real Estate Transactions

1099-MISC – If amounts are reported in boxes 8 and 14.

The due date, to recipients, for all other informational returns remains at February 1, 2010, for 2009 returns.

**Instructions for
Form 1098-E**

For loans made before September 1, 2004, box 2 on the Form 1098-E should be checked if the amount in box 1 of the form does **not** include loan origination fees and/or capitalized interest. This is a reverse of the 2008 instructions for the completion of box 2.

**Instructions for Forms
1099-C**

The form has been revised, moving "Debt description" from box 5 to an enlarged box 4. Box 5 now contains 2 checkboxes to indicate whether the borrower was personally liable for repayment of the debt.

Creditor's phone number. A central phone number for debtors to use to contact a person having knowledge of a canceled debt is now required information in the Creditor's information box.

Instructions for Form 1099-C. The number of entities who must report cancellation of debt after the expiration of the nonpayment testing period has been reduced. The order under "Who Must File" has been changed.

Form 1099-DIV

Payments of section 404(k) dividends directly from a corporation to participants in an employee stock ownership plan (ESOP), or their beneficiaries, must be reported on Form 1099-DIV. Payments of section 404(k) dividends from the ESOP to the participants continue to be reported on Form 1099-R.

If a regulated investment company (RIC) or a real estate investment trust (REIT) holds any qualified tax credit bonds, the credit determined from tax credit bonds is interest and is included in gross income as a distribution to the shareholder or beneficiary. Attach a statement to Form 1099-DIV.

Form 1099-G

There is a new box 9 for reporting market gain associated with the repayment of Commodity Credit Corporation (CCC) loans.

**Instructions for Form
1099-INT and 1099-
OID**

The credit allowable to holders of the following tax credit bonds is treated as interest and reported in box 1 of Form 1099-INT.

- Qualified forestry conservation bonds issued after May 22, 2008.
- Qualified energy conservation bonds.
- Qualified zone academy bonds
- Midwestern tax credit bonds

Form 1099-MISC

The following reporting changes have been made to Form 1099-MISC.

Military differential pay. Payments made after 2008 to former employees while they are on active duty for more than 30 days in the Armed Forces or other uniformed services are **not** reported on Form 1099-MISC. Report those payments on Form W-2 instead. Also, see the instructions for box 3.

Death benefits. Death benefits from nonqualified deferred compensation plans paid to the estate or beneficiary of a deceased employee are now reported on Form 1099-MISC instead of Form 1099-R. Death benefit payments from qualified plans continue to be reported on Form 1099-R.

Payments to individuals in medical research studies. Payments made to individuals in medical research studies are reported in box 3.

Box 15a. Payers are not required to report deferrals under nonqualified deferred compensation plans under section 409A in box 15a.

Instructions for Form 1099-PATR

A new tax credit is allowed for cellulosic biofuel produced after 2008. For more information, see section 40 and Form 6478.

A new tax credit is allowed for qualified agricultural chemicals security expenses paid or incurred after May 22, 2008. For more information, see section 45O and Form 8931.

The Indian employment credit has been extended through December 31, 2009.

The energy efficient appliance credit has been revised and extended for eligible products produced through December 31, 2010.

Form 1099-R

Generally, box 2a should be left blank when reporting distributions from traditional or SEP IRAs. Box 2b, "taxable amount not determined" should be checked.

Corrective distributions of excess contributions and excess aggregate contributions are taxable in the year distributed (except for designated Roth contributions).

**Form 1099-R
(Continued)**

Distributions from a nonqualified deferred compensation (NQDC) plan to an estate or beneficiary of a deceased plan participant are no longer reported on Form 1099-R. They should be reported on Form 1099-MISC.

Qualified distributions from IRAs for charitable purposes may be made through December 31, 2009.

Distributions of dividends from an employee stock ownership plan (ESOP) under section 404(k) to participants or their beneficiaries are to be reported on Form 1099-R. All other distributions from an ESOP must be reported on a separate Form 1099-R.

Ref. Proc. 2008-24 was issued to address the tax treatment of certain tax-free exchanges of annuity contracts under sections 72 and 1035. The interim guidance provided by Notice 2003-51 is superseded.

The following changes were made to the Guide to Distribution Codes.

1. For Distribution Code 1, references to the qualified reservist distribution under section 72(t)(2)(G) have been made permanent due to P.L. 110-245, sec. 107.
2. New Distribution Code U, for distributions under IRC 404(k), was added to the table.
3. Distribution Codes B and U are a valid combination.

Form 5498

The form has been enlarged and reformatted to 2 to a page instead of 3 to a page to provide additional boxes for reporting information formerly reported in the blank box next to box 10. Instructions have been added for new boxes 12a through 15b.

The words "presidentially declared disaster areas" have been changed to "federally declared disaster areas."

P.L. 110-245, sec. 109, allows recipients of military death gratuities and service members' group life insurance (SGLI) payments to contribute all or a portion of the amounts received to a Roth IRA.

P.L. 110-343, Division C, Sec. 504, allows recipients of qualified settlement income received in connection with the Exxon Valdez litigation to contribute all or a portion of the amount received to a traditional or Roth IRA.

P.L. 110-458, sec.125, allows all or a portion of certain payments made to qualified airline employees to be contributed to a Roth IRA.

Form 5498 (Continued)

P.L. 110-458, Sec. 201, suspends required minimum distributions (RMDs) for 2009 for defined contribution plans and IRAs.

Instructions for Forms 3921 and 3922. Revised Forms 3921 and 3922 and their instructions are expected to be issued for reporting years beginning subsequent to 2008 after final regulations have been issued.

Instructions for Form 5498-ESA. Rollover contributions to a Coverdell ESA include contributions of military death gratuity payments.

Instructions for Forms W-2G and 5754

Rev. Proc. 2007-57 informs sponsors of poker tournaments, including casinos that payments of winnings of more than \$5,000 are subject to the rules for regular gambling withholding and information reporting under section 3402(q) and its regulations for payments made on or after March 4, 2008.

Instructions for box 9 have been added informing issuers of the requirement to complete box 9 with TIN of the person receiving the winnings. Failure to supply a correct TIN (SSN or ITIN) will result in backup withholding on the winnings.

Instructions for boxes 11 and 12 have been clarified to inform issuers (other than state lotteries) of the need to obtain 2 forms of identification from the person receiving the winnings as a means of verifying the recipient's SSN/ITIN, name and address.

What is a 1099

A 1099 is an information document used to report payments of certain income to recipients. There are 29 different types of information returns.

See the Guide to Information Returns on pages 14-15 for a summary of what to report, amounts to report, and the due dates of the various forms.

Form 1099-MISC: The requirements to complete box 15a and box 15b regarding non-employee Section 409A deferrals and Section 409A income are required beginning in 2007. For further IRS guidance go to the website: www.irs.gov/pub/irs-irbs/irb05-02.pdf

Who must file 1099 forms?

Corporations, Partnerships, LLCs, LLPs and individuals engaged in trade or business must file a Form 1099 for payments to another person, or generally, a non-corporate business entity in any *calendar year*.

Certain non-profit organizations are considered to be engaged in a trade or business and are subject to reporting requirements. These include qualified pension or profit sharing plans, certain organizations that have a 501(c) or (d) tax exempt status, and farmers' cooperatives exempt under section 521.

If you own rental property, you are considered to be in a trade or business and fall within the above rules.

Who and what payments should be reported on a 1099?

You do not have to file a Form 1099 for any payments made to a corporation; except for:

- 1) Payments to corporations for health and medical services
- 2) Fish purchases for cash reported in box 7
- 3) Attorneys' fees reported in box 7
- 4) Gross proceeds paid to an attorney reported in box 14
- 5) Substitute payments in lieu of dividends or tax-exempt interest reported in box 8, and
- 6) Payments by a federal executive agency for services reported in box 7.

You should file a Form 1099-MISC for any payments for *services* rendered by *non-corporate* entities. You do *not* have to file a Form 1099 for payments made for tangible personal property such as merchandise, supplies, utilities, etc.

See the Guide to Information Returns on page 14-15 for the minimum amounts needed to be reported and the type of 1099 form you should use.

When and how is Form 1099 filed?

Reporting is based on a calendar year. A copy of the form 1099 must be issued to the recipient by January 31 following the calendar year of reporting. The federal copies must be filed by the last day of February following the calendar year of reporting.

Electronic Filing

Electronic reporting may be required for filing all information returns discussed in these instructions. Different types of payments, such as interest, dividends, and rents, may be reported in the same submission.

Pub. 1220 provides the procedures for reporting electronically and is updated annually. Pub 1220 is available on the IRS website as www.irs.gov.

You can file electronically through the Filing Information Returns Electronically System (FIRE System); however, you must have software that can produce a file in the proper format according to Pub. 1220. The FIRE System does not provide a fill-in form option for information return reporting. The FIRE System operates 24 hours a day, 7 days a week. You may access the FIRE System via the internet at <http://fire.irs.gov>. See Pub. 1220 for more information.

Due Dates. File Forms 1098, 1099, 3921, 3922, or W-2G electronically through the FIRE System by March 31, 2010. File Forms 5498, 5498-ESA, or 5498-SA by June 1, 2010. See part M in the General Instructions for Forms 1099, www.irs.gov, about providing Forms 1098, 1099, 3921, 3922, 5498, and W-2G or statements to recipients.

Extension of time to file. For information about requesting an extension of time to file, see General Instructions for Forms 1099 at www.irs.gov.

Who Must File Electronically? If you are required to file 250 or more information returns, you must file electronically. The 250-or-more requirement applies separately to each type of form. For example, if you must file 500 Forms 1098 and 100 Forms 1099-A, you must file Forms 1098 electronically, but you are not required to file Forms 1099-A electronically.

The electronic filing requirement does not apply if you apply for and receive a hardship waiver. See General Instructions for Forms 1099 at www.irs.gov.

If you file electronically, do not file the same returns on paper.

The IRS encourages you to file electronically even though you are filing fewer than 250 returns.

**How do I Verify
Taxpayer
Identification Numbers
(TINs)?**

TIN matching allows a payer or authorized agent to match TIN and name combinations with IRS records before submitting the forms to the IRS. It is accessible through the IRS website at: www.irs.gov and search for "e-services". E-services technical support is available by calling 1-866-255-0654, Monday through Friday, from 8:30 a.m. to 7:00 p.m., Eastern Time.

How are payments to attorneys to be reported?

Payments for legal services made in the course of a trade or business must be reported on a 1099-MISC. As stated before, the exemption from reporting payments made to corporations no longer applies to payments for legal services.

Attorney's fees for legal services of more than \$600 are to be reported in Box 7.

When payment is made to an attorney in connection with legal services and the attorney's fees cannot be determined, then the total amount to be paid to the attorney (gross proceeds) must be reported in Box 14 using Code A.

If the attorney's fees portion *can* be determined and the amount is \$600 or more, then the amount is to be reported in Box 7 and *nothing* in Box 14.

Under section 6045(f) report in box 14 payments to an attorney made in the course of your trade or business in connection with legal services, for example, as in a settlement agreement, unless the attorney's fees are reportable by you in box 7. Generally, you are not required to report the claimant's attorney's fees.

These rules apply whether or not the legal services are provided to the payer and whether or not the attorney is exclusive payee (for example, the attorney's and claimant's names are on one check) or other information returns are required for some or all of a payment under section 6041(a)(1). For example, a person who, in the course of a trade or business, pays \$600 of taxable damages to a claimant by paying that amount to a claimant's attorney is required to finish Form 1099-MISC to the claimant under section 6041 and furnish Form 1099-MISC to the claimant's attorney under section 6045(f). For more examples and exceptions relating to payment to attorneys, see Regulations section 1.6045-5.

However, these rules do not apply to wages paid to attorneys that are reportable on Form W-2 or to profits distributed by a partnership to its partners that are reportable on Schedule K-1

What is backup withholding?

Backup withholding is required if a recipient fails to provide their taxpayer identification number (TIN: social security number or business number) or if the Secretary of the Treasury notifies the payer that the number furnished by the payee is incorrect. The withholding rate for 2010 is 28% of all payments to that payee. This rate is set to sunset December 31, 2010.

What types of payments are subject to backup withholding?

Backup withholding will apply to:

- Interest and dividends (including tax-exempt interest and exempt-interest dividends)
- Commissions
- Gambling winnings, if required under section 3402(q)
- Payments of rents, royalties, prizes, and awards aggregating \$600 or more
- Payments aggregating \$600 or more for services performed for a trade or business by people not treated as its employees, such as subcontractors or directors
- Payments made by brokers and barter exchanges
- Payments made by certain fishing boat operators
- Payments made by a trustee or issuer of an IRA or SEP
- Gross proceeds paid to attorneys

IF:

- a) The payee fails to furnish his or her or its taxpayer identification number to you
- b) The IRS notifies you to impose backup withholding because the payee furnished an incorrect TIN ("B" Notice).
- c) Notice from the IRS that payee is subject to backup withholding due to notified payee under reporting.
- d) Payee failure to certify that he or she is not subject to backup withholding.

The backup withholding is shown on line 2 of the annual form 945 and in Box 4 of the 1099-MISC.

Backup withholding does **not** apply in the pension area.

How is backup withholding reported and taxes paid

The tax is paid in the same manner as your payroll tax deposits: either by using the interim deposit coupon, making the check payable to your bank, marking the Type of Tax (945) and the Tax period and taking the check and coupon to your bank; *or*, if you are required to deposit your payroll taxes electronically. The tax deposit due date is the same as for your regular payroll.

What other withholding taxes are there?

If you have a pension or profit sharing plan and are making distributions to retired employees who have requested withholding, or are making a distribution to a terminated employee (that is not a direct rollover) and are required to withhold the 20% federal withholding, the tax deposit due dates are the same as for regular payroll tax deposits.

These withholdings and tax deposits are reported on the annual Form 945 due to the IRS by January 31.

The federal withheld tax should be included on line 1 of the Form 945. The deposits are shown on line 4.

Where do I send the completed 1099 forms?

(All information returns filed on paper must use a 3-line mailing address.)

Copy A: **Federal copy** **Due 2/28**

(OR, WA, CA)
Department of the Treasury
Internal Revenue Service Center
Kansas City, MO 64999

This pink copy goes with the federal transmittal form.

NOTE: This pink copy should NOT be cut or separated as it is read by a scanner.

Copy B: **Recipient's copy** **Due 1/31**

Copy C: **Payer's file copy**

Oregon withholding on non-payroll items

One time distribution: If you withhold Oregon tax on distributions from pension or profit sharing plans, you will include the tax withheld and paid on your quarterly form OQ and annual WR. The withheld amount should be included with your regular payroll tax deposit. The total state withholding from both payroll and pension distributions combined and reported on the four quarterly OQ forms should tie to your annual QR form, which then ties to the state withholding on both the W-2s and 1099-Rs.

On-going distributions: You will need to apply for a separate Business Identification Number (BIN) with the State of Oregon, using the Combined Employer's Registration form. The state will assign you a BIN and send you coupons and payroll tax forms. Tax must be deposited in accordance with your payroll tax requirements. Tax forms must be filed quarterly.

Oregon no longer requires the filing of most 1099 forms by paper or magnetic media. Information returns filed with the IRS will *automatically* be forwarded to the Oregon Department of Revenue.

Oregon reserves the right to request copies of forms from an employer or payor.

When must 1099 forms be filed on magnetic media?

Under the provisions of the Omnibus Budget Reconciliation Act of 1990, all filers of Forms 1098 and 5498 must file Copy A (federal copy) via magnetic media or electronically if they are filing 250 or more of a *specific* form. The 250 threshold applies to each type of form by itself.

(See IRS Publication 3609)

For returns filed after December 1, 2008, Enterprise Computing Center – Martinsburg (ECC-MTB) will no longer accept tape cartridges. Electronic filing will be the only acceptable method for filing information returns with ECC-MTB.

Publication 1220 provides the procedures for reporting electronically and is updated annually.

Some information forms must contain a phone number

The following information forms must contain a contact phone number for a person who can answer inquiries about the return. This phone number should be in the *payer's name and address section* of the form.

W-2G	1099-B	1099-LTC
1098	1099-CAP	1099-MISC
1098-C	1099-DIV	1099-PATR
1098-E	1099-G	1099-OID
1098-T	1099-H	1099-Q
1099-A	1099-INT	1099-S

In addition, the phone number and name of a person to contact in case the IRS needs more information is also required on the Form 1096, Annual Summary and Transmittal of U.S. Information Return.

Penalties**Failure to Furnish a Correct Statement to Employee**

- \$50 per statement

Failure to Furnish a Correct Statement to IRS or SSA

- \$15 per statement if corrected within 30 days of the due date
- \$30 per statement if corrected more than 30 days after the due date but by August 1
- \$50 per statement if corrected after August 1

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Rents	OMB No. 1545-0115		Miscellaneous Income 2009 Form 1099-MISC
		\$	2 Royalties	\$	
		3 Other income	4 Federal income tax withheld		
PAYER'S federal identification number		RECIPIENT'S identification number	5 Fishing boat proceeds	6 Medical and health care payments	Copy B For Recipient This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
RECIPIENT'S name, address, and ZIP code		7 Nonemployee compensation	8 Substitute payments in lieu of dividends or interest		
Account number (see instructions)		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	15b Section 409A income	11	12		
		13 Excess golden parachute payments	14 Gross proceeds paid to an attorney	18 State income	
\$	\$	\$	\$	\$	

Form **1099-MISC**

(keep for your records)

Department of the Treasury - Internal Revenue Service 38-2099803

BMISREC NTF 2573302

1099-R Codes - Scanned from IRS Website

Guide to Distribution Codes		
Distribution Codes	Explanations	*Used with code ...(if applicable)
1—Early distribution, no known exception.	Use Code 1 only if the employee/taxpayer has not reached age 59½, and you do not know if any of the exceptions under Distribution Code 2, 3, or 4 apply. Use Code 1 even if the distribution is made for medical expenses, health insurance premiums, qualified higher education expenses, a first-time home purchase, or a qualified reservist distribution under section 72(t)(2)(B), (D), (E), (F), or (G). Code 1 must also be used even if a taxpayer is 59½ or older and he or she modifies a series of substantially equal periodic payments under section 72(q), (t), or (v) prior to the end of the 5-year period.	8, B, D, L, or P
2—Early distribution, exception applies.	Use Code 2 only if the employee/taxpayer has not reached age 59½ and the distribution is: <ul style="list-style-type: none"> • A Roth IRA conversion (an IRA converted to a Roth IRA). • A distribution made from a qualified retirement plan or IRA because of an IRS levy under section 6331. • A section 457(b) plan distribution that is not subject to the additional 10% tax. But see <i>Section 457(b) plan distributions</i> on page 10 for information on distributions that may be subject to the 10% additional tax. • A distribution from a qualified retirement plan after separation from service in or after the year the taxpayer has reached age 55. • A distribution from a governmental defined benefit plan to a public safety employee after separation from service in or after the year the employee has reached age 50. • A distribution that is part of a series of substantially equal periodic payments as described in section 72(q), (t), (u), or (v). • A distribution that is a permissible withdrawal under an eligible automatic contribution arrangement. • Any other distribution subject to an exception under section 72(q), (t), (u), or (v) that is not required to be reported using Code 1, 3, or 4. 	8, B, D, or P
3—Disability.	For these purposes, see section 72(m)(7).	None
4—Death.	Use Code 4 regardless of the age of the employee/taxpayer to indicate payment to a decedent's beneficiary, including an estate or trust. Also use it for death benefit payments made by an employer but not made as part of a pension, profit-sharing, or retirement plan.	8, A, B, D, G, H, L, or P
5—Prohibited transaction.	Use Code 5 if there was a prohibited (improper) use of the account. Code 5 means the account is no longer an IRA.	None
6—Section 1035 exchange.	Use Code 6 to indicate the tax-free exchange of life insurance, annuity, or endowment contracts under section 1035.	None
7—Normal distribution.	Use Code 7: (a) for a normal distribution from a plan, including a traditional IRA, section 401(k), or section 403(b) plan, if the employee/taxpayer is at least age 59½, (b) for a Roth IRA conversion or reconversion if the participant is at least age 59½, and (c) to report a distribution from a life insurance, annuity, or endowment contract and for reporting income from a failed life insurance contract under sections 7702(g) and (h). See Rev. Rul. 91-17, 1991-1 C.B. 190. Use Code 7 with Code A, if applicable. Generally, use Code 7 if no other code applies. Do not use Code 7 for a Roth IRA. Note: Code 1 must be used even if a taxpayer is 59½ or older and he or she modifies a series of substantially equal periodic payments under section 72(q), (t), or (v) prior to the end of the 5-year period.	A
8—Excess contributions plus earnings/excess deferrals (and/or earnings) taxable in 2009.	Use Code 8 for an IRA distribution under section 408(d)(4), unless Code P applies. Also use this code for corrective distributions of excess deferrals, excess contributions, and excess aggregate contributions, unless Code D or P applies. See <i>Corrective Distributions</i> on page 5 and <i>IRA Revocation or Account Closure</i> on page 2 for more information.	1, 2, 4, B, or J
9—Cost of current life insurance protection.	Use Code 9 to report premiums paid by a trustee or custodian for current life or other insurance protection. See box 2a on page 7 for more information.	None
A—May be eligible for 10-year tax option.	Use Code A only for participants born before January 2, 1936, or their beneficiaries to indicate the distribution may be eligible for the 10-year tax option method of computing the tax on lump-sum distributions (on Form 4972, Tax on Lump-Sum Distributions). To determine whether the distribution may be eligible for the tax option, you need not consider whether the recipient used this method (or capital gain treatment) in the past.	4 or 7
B—Designated Roth account distribution.	Use Code B for a distribution from a designated Roth account that is not a qualified distribution. But use Code E for a section 415 excess.	1, 2, 4, 8, D, G, L, P, or U
D—Excess contributions plus earnings/excess deferrals taxable in 2007.	See the explanation for Code 8. Generally, do not use Code D for an IRA distribution under section 408(d)(4) or 408(d)(5).	1, 2, 4, or B
E—Distributions under Employee Plans Compliance Resolution System (EPCRS).	See <i>Distributions under Employee Plans Compliance Resolutions System (EPCRS)</i> on page 5.	None

Guide to Distribution Codes		
Distribution Codes	Explanations	*Used with code ...(if applicable)
F—Charitable gift annuity.	See <i>Charitable gift annuities</i> on page 8.	None
G—Direct rollover and rollover contribution.	Use Code G for a direct rollover from a qualified plan (including a governmental section 457(b) plan) or section 403(b) plan to an eligible retirement plan (another qualified plan, a section 403(b) plan, or an IRA). See <i>Direct Rollovers</i> on page 3. Also use Code G for certain distributions to an employer plan and IRA rollover contributions to an accepting employer plan. Note: Do not use Code G for a direct rollover from a designated Roth account to a Roth IRA. Use Code H.	4 or B
H—Direct rollover of a designated Roth account distribution to a Roth IRA.	Use Code H for a direct rollover of a distribution from a designated Roth account to a Roth IRA.	4
J—Early distribution from a Roth IRA.	Use Code J for a distribution from a Roth IRA when Code Q or Code T does not apply. But use Code 2 for an IRS levy and Code 5 for a prohibited transaction.	8 or P
L—Loans treated as deemed distributions under section 72(p).	Do not use Code L to report a loan offset. See <i>Loans Treated as Distributions</i> on page 5.	1, 4, or B
N—Recharacterized IRA contribution made for 2009.	Use Code N for a recharacterization of an IRA contribution made for 2009 and recharacterized in 2009 to another type of IRA by a trustee-to-trustee transfer or with the same trustee.	None
P—Excess contributions plus earnings/excess deferrals taxable in 2008.	See the explanation for Code 8. The IRS suggests that anyone using Code P for the refund of an IRA contribution under section 408(d)(4), including excess Roth IRA contributions, advise payees, at the time the distribution is made, that the earnings are taxable in the year in which the contributions were made.	1, 2, 4, B, or J
Q—Qualified distribution from a Roth IRA.	Use Code Q for a distribution from a Roth IRA if you know that the participant meets the 5-year holding period and: <ul style="list-style-type: none"> • The participant has reached age 59½, • The participant died, or • The participant is disabled. Note: If any other code, such as 8 or P, applies, use Code J.	None
R—Recharacterized IRA contribution made for 2008.	Use Code R for a recharacterization of an IRA contribution made for 2008 and recharacterized in 2009 to another type of IRA by a trustee-to-trustee transfer or with the same trustee.	None
S—Early distribution from a SIMPLE IRA in the first 2 years, no known exception.	Use Code S only if the distribution is from a SIMPLE IRA in the first 2 years, the employee/taxpayer has not reached age 59½, and none of the exceptions under section 72(t) are known to apply when the distribution is made. The 2-year period begins on the day contributions are first deposited in the individual's SIMPLE IRA. Do not use Code S if Code 3 or 4 applies.	None
T—Roth IRA distribution, exception applies.	Use Code T for a distribution from a Roth IRA if you do not know if the 5-year holding period has been met but: <ul style="list-style-type: none"> • The participant has reached age 59½, • The participant died, or • The participant is disabled. Note: If any other code, such as 8 or P, applies, use Code J.	None
U—Dividends distributed from an ESOP under section 404(k).	Use Code U for a distribution of dividends from an employee stock ownership plan (ESOP) under section 404(k). These are not eligible rollover distributions. Note. Do not report dividends paid by the corporation directly to plan participants or their beneficiaries. Continue to report those dividends on Form 1099-DIV.	B

*See the first Caution for box 7 instructions on page 10.

Form **945**

Annual Return of Withheld Federal Income Tax

OMB No. 1545-1430

Department of the Treasury
Internal Revenue Service

▶ For withholding reported on Forms 1099 and W-2G.
▶ See separate instructions. For more information on income tax withholding, see Pub. 15 (Circ. E) and Pub. 15-A.
Please type or print.

2009

Enter state code for state in which deposits were made **only** if different from state in address to the right ▶ (see the instructions).

<input type="checkbox"/> Name (as distinguished from trade name) <input type="checkbox"/> Trade name, if any <input type="checkbox"/> Address (number and street)	<input type="checkbox"/> Calendar year <input type="checkbox"/> Employer identification number (EIN) <input type="checkbox"/> City, state, and ZIP code
---	---

If address is different from prior return, check here. ▶

A If you do not have to file returns in the future, check here ▶ and enter date final payments made. ▶

1 Federal income tax withheld from pensions, annuities, IRAs, gambling winnings, etc.	1		
2 Backup withholding	2		
3 Total taxes. If \$2,500 or more, this must equal line 7M below or line M of Form 945-A	3		
4 Total deposits for 2009, including overpayment applied from a prior year and overpayment applied from Form 945-X	4		
5 Balance due. If line 3 is more than line 4, write the difference here. For information on how to pay, see the instructions	5		

6 **Overpayment.** If line 4 is more than line 3, enter overpayment here ▶ \$_____ and check if to be:
 Applied to next return or Refunded.

- **All filers:** If line 3 is less than \$2,500, **do not** complete line 7 or Form 945-A.
- **Semiweekly schedule depositors:** Complete **Form 945-A** and check here ▶
- **Monthly schedule depositors:** Complete **line 7, entries A through M,** and check here ▶

7 Monthly Summary of Federal Tax Liability. (Do not complete if you were a semiweekly schedule depositor.)							
	Tax liability for month			Tax liability for month		Tax liability for month	
A January			F June			K November	
B February			G July			L December	
C March			H August			M Total liability for year (add lines A through L).	
D April			I September				
E May			J October				

Do you want to allow another person to discuss this return with the IRS (see the instructions)? Yes. Complete the following. No.

Third-Party Designee

Designee's name ▶ _____ Phone no. ▶ () _____ Personal identification number (PIN) ▶ _____

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature ▶ _____ Print Your Name and Title ▶ _____ Date ▶ _____

Paid Preparer's Use Only

Preparer's signature ▶ _____ Date _____ Check if self-employed Preparer's SSN or PTIN _____

Firm's name (or yours, if self-employed), address, and ZIP code ▶ _____ EIN : _____

Phone no. () _____

Form **945-A**
 (Rev. December 2009)
 Department of the Treasury
 Internal Revenue Service

Annual Record of Federal Tax Liability

OMB No. 1545-1430

► File with Form 945, Form 945-X, CT-1, CT1-X, 944, 944-X, or Form 944-SS.

 Calendar Year

Name (as shown on Form 945, Form 945-X, CT-1, CT1-X, 944, 944-X, or Form 944-SS)

Employer identification number (EIN)

You must complete this form if you are required to deposit on a semiweekly schedule or if your tax liability during any month was \$100,000 or more. Show tax liability here, not deposits. (The IRS gets deposit data from FTD coupons or EFTPS.) **DO NOT** change your tax liability by adjustments reported on any Forms 945-X.

January Tax Liability				February Tax Liability				March Tax Liability			
1		17		1		17		1		17	
2		18		2		18		2		18	
3		19		3		19		3		19	
4		20		4		20		4		20	
5		21		5		21		5		21	
6		22		6		22		6		22	
7		23		7		23		7		23	
8		24		8		24		8		24	
9		25		9		25		9		25	
10		26		10		26		10		26	
11		27		11		27		11		27	
12		28		12		28		12		28	
13		29		13		29		13		29	
14		30		14				14		30	
15		31		15				15		31	
16				16				16			
A Total for month ►				B Total for month ►				C Total for month ►			
April Tax Liability				May Tax Liability				June Tax Liability			
1		17		1		17		1		17	
2		18		2		18		2		18	
3		19		3		19		3		19	
4		20		4		20		4		20	
5		21		5		21		5		21	
6		22		6		22		6		22	
7		23		7		23		7		23	
8		24		8		24		8		24	
9		25		9		25		9		25	
10		26		10		26		10		26	
11		27		11		27		11		27	
12		28		12		28		12		28	
13		29		13		29		13		29	
14		30		14		30		14		30	
15				15		31		15			
16				16				16			
D Total for month ►				E Total for month ►				F Total for month ►			

Form 945-A (Rev. 12-2009)

Page **2**

July Tax Liability			August Tax Liability			September Tax Liability		
1		17	1		17	1		17
2		18	2		18	2		18
3		19	3		19	3		19
4		20	4		20	4		20
5		21	5		21	5		21
6		22	6		22	6		22
7		23	7		23	7		23
8		24	8		24	8		24
9		25	9		25	9		25
10		26	10		26	10		26
11		27	11		27	11		27
12		28	12		28	12		28
13		29	13		29	13		29
14		30	14		30	14		30
15		31	15		31	15		
16			16			16		
G Total for month ▶			H Total for month ▶			I Total for month ▶		
October Tax Liability			November Tax Liability			December Tax Liability		
1		17	1		17	1		17
2		18	2		18	2		18
3		19	3		19	3		19
4		20	4		20	4		20
5		21	5		21	5		21
6		22	6		22	6		22
7		23	7		23	7		23
8		24	8		24	8		24
9		25	9		25	9		25
10		26	10		26	10		26
11		27	11		27	11		27
12		28	12		28	12		28
13		29	13		29	13		29
14		30	14		30	14		30
15		31	15			15		31
16			16			16		
J Total for month ▶			K Total for month ▶			L Total for month ▶		

M Total tax liability for the year (add lines **A** through **L**). This should equal line 3 on Form 945 (line 13 on Form CT-1, line 9 on Form 944, or line 7 on Form 944-SS.) ▶

Guide to Information Returns (If any date shown falls on a Saturday, Sunday, or legal holiday, the due date is the next business day.)
(Scanned from IRS website)

Form	Title	What to Report	Amounts to Report	Due Date	
				To IRS	To Recipient (unless indicated otherwise)
1042-S	Foreign Person's U.S. Source Income Subject to Withholding	Income such as interest, dividends, royalties, pensions and annuities, etc., and amounts withheld under Chapter 3. Also, distributions of effectively connected income by publicly traded partnerships or nominees.	See form instructions	March 15	March 15
1098	Mortgage Interest Statement	Mortgage interest (including points) and certain mortgage insurance premiums you received in the course of your trade or business from individuals and reimbursements of overpaid interest.	\$600 or more	February 28*	(To Payer/ Borrower) January 31
1098-C	Contributions of Motor Vehicles, Boats, and Airplanes	Information regarding a donated motor vehicle, boat, or airplane.	Gross proceeds of more than \$500	February 28*	(To Donor) 30 days from date of sale or contribution
1098-E	Student Loan Interest Statement	Student loan interest received in the course of your trade or business.	\$600 or more	February 28*	January 31
1098-T	Tuition Statement	Qualified tuition and related expenses, reimbursements or refunds, and scholarships or grants (optional).	See instructions	February 28*	January 31
1099-A	Acquisition or Abandonment of Secured Property	Information about the acquisition or abandonment of property that is security for a debt for which you are the lender.	All amounts	February 28*	(To Borrower) January 31
1099-B	Proceeds From Broker and Barter Exchange Transactions	Sales or redemptions of securities, futures transactions, commodities, and barter exchange transactions.	All amounts	February 28*	February 15**
1099-C	Cancellation of Debt	Cancellation of a debt owed to a financial institution, the Federal Government, a credit union, RTC, FDIC, NCUA, a military department, the U.S. Postal Service, the Postal Rate Commission, or any organization having a significant trade or business of lending money.	\$600 or more	February 28*	January 31
1099-CAP	Changes in Corporate Control and Capital Structure	Information about cash, stock, or other property from an acquisition of control or the substantial change in capital structure of a corporation.	Amounts of stock or property valued at \$100 million or more	February 28*	(To Shareholders) January 31
1099-DIV	Dividends and Distributions	Distributions, such as dividends, capital gain distributions, or nontaxable distributions, that were paid on stock and liquidation distributions.	\$10 or more, except \$600 or more for liquidations	February 28*	January 31**
1099-G	Certain Government Payments	Unemployment compensation, state and local income tax refunds, agricultural payments, and taxable grants.	\$10 or more for refunds and unemployment	February 28*	January 31
1099-H	Health Coverage Tax Credit (HCTC) Advance Payments	Health insurance premiums paid on behalf of certain individuals.	All amounts	February 28*	January 31
1099-INT	Interest Income	Interest income.	\$10 or more (\$600 or more in some cases)	February 28*	January 31**
1099-LTC	Long-Term Care and Accelerated Death Benefits	Payments under a long-term care insurance contract and accelerated death benefits paid under a life insurance contract or by a viatical settlement provider.	All amounts	February 28*	January 31
1099-MISC	Miscellaneous Income (Also, use to report direct sales of \$5,000 or more of consumer goods for resale.)	Rent or royalty payments; prizes and awards that are not for services, such as winnings on TV or radio shows.	\$600 or more, except \$10 or more for royalties	February 28*	January 31**
		Payments to crew members by owners or operators of fishing boats including payments of proceeds from sale of catch.	All amounts		
		Section 409A income from nonqualified deferred compensation plans (NQDCs).	All amounts		
		Payments to a physician, physicians' corporation, or other supplier of health and medical services. Issued mainly by medical assistance programs or health and accident insurance plans.	\$600 or more		
		Payments for services performed for a trade or business by people not treated as its employees. Examples: fees to subcontractors or directors and golden parachute payments.	\$600 or more		
		Fish purchases paid in cash for resale.	\$600 or more		
		Crop insurance proceeds.	\$600 or more		
		Substitute dividends and tax-exempt interest payments reportable by brokers.	\$10 or more		
Gross proceeds paid to attorneys.	\$600 or more	February 15**			
					February 15**
1099-OID	Original Issue Discount	Original issue discount.	\$10 or more	February 28*	January 31**
1099-PATR	Taxable Distributions Received From Cooperatives	Distributions from cooperatives passed through to their patrons including any domestic production activities deduction and certain pass-through credits.	\$10 or more	February 28*	January 31

*The due date is March 31 if filed electronically.

**The due date is March 15 for reporting by trustees and middlemen of WHFITs.

Guide to Information Returns (Continued)

Form	Title	What to Report	Amounts to Report	Due Date	
				To IRS	To Recipient (unless indicated otherwise)
1099-Q	Payments From Qualified Education Programs (Under Sections 529 and 530)	Earnings from qualified tuition programs and Coverdell ESAs.	All amounts	February 28*	January 31
1099-R	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.	Distributions from retirement or profit-sharing plans, any IRA, insurance contracts, and IRA recharacterizations.	\$10 or more	February 28*	January 31
1099-S	Proceeds From Real Estate Transactions	Gross proceeds from the sale or exchange of real estate and certain royalty payments.	Generally, \$600 or more	February 28*	February 15
1099-SA	Distributions From an HSA, Archer MSA, or Medicare Advantage MSA	Distributions from an HSA, Archer MSA, or Medicare Advantage MSA.	All amounts	February 28*	January 31
3921	Exercise of an Incentive Stock Option Under Section 422(b)	Transfer of an employer's stock to an employee pursuant to the exercise of an incentive stock option under section 422(b).	All amounts	February 28*	January 31
3922	Transfer of Stock Acquired Through an Employee Stock Purchase Plan Under Section 423(c)	Transfer(s) of stock acquired through an employee stock purchase plan under section 423(c)	All amounts	February 28*	January 31
5498	IRA Contribution Information	Contributions (including rollover contributions) to any individual retirement arrangement (IRA) including a SEP, SIMPLE, and Roth IRA; Roth conversions; IRA recharacterizations; and the fair market value (FMV) of the account.	All amounts	May 31	(To Participant) For FMV/RMD Jan 31; For contributions, May 31
5498-ESA	Coverdell ESA Contribution Information	Contributions (including rollover contributions) to a Coverdell ESA.	All amounts	May 31	April 30
5498-SA	HSA, Archer MSA, or Medicare Advantage MSA Information	Contributions to an HSA (including transfers and rollovers) or Archer MSA and the FMV of an HSA, Archer MSA, or Medicare Advantage MSA.	All amounts	May 31	(To Participant) May 31
W-2G	Certain Gambling Winnings	Gambling winnings from horse racing, dog racing, jai alai, lotteries, keno, bingo, slot machines, sweepstakes, wagering pools, poker tournaments, etc.	Generally, \$600 or more; \$1,200 or more from bingo or slot machines; \$1,500 or more from keno	February 28*	January 31
W-2	Wage and Tax Statement	Wages, tips, other compensation; social security, Medicare, withheld income taxes; and advance earned income credit (EIC) payments. Include bonuses, vacation allowances, severance pay, certain moving expense payments, some kinds of travel allowances, and third-party payments of sick pay.	See separate instructions	To SSA Last day of February*	To Recipient January 31

*The due date is March 31 if filed electronically.

(Scanned from IRS website)

Types of Payments

Below is an alphabetic list of some payments and the forms to file and report them. However, it is not a complete list of all payments, and the absence of a payment from the list does not indicate that the payment is not reportable. For instructions on a specific type of payment, see the separate instructions in the form(s) listed.

Type of Payment	Report on Form	Type of Payment	Report on Form
Abandonment	1099-A	Income tax refunds, state and local	1099-G
Accelerated death benefits	1099-LTC	Indian gaming profits paid to tribal members	1099-MISC
Acquisition of control	1099-CAP	Interest income	1099-INT
Advance earned income credit	W-2	Tax-exempt	1099-INT
Advance health insurance payments	1099-H	Interest, mortgage	1098
Agriculture payments	1099-G	IRA contributions	5498
Allocated tips	W-2	IRA distributions	1099-R
Alternate TAA payments	1099-G	Life insurance contract distributions	1099-R, 1099-LTC
Annuities	1099-R	Liquidation, distributions in	1099-DIV
Archer MSAs:		Loans, distribution from pension plan	1099-R
Contributions	5498-SA	Long-term care benefits	1099-LTC
Distributions	1099-SA	Medicare Advantage MSAs:	
Attorney, fees and gross proceeds	1099-MISC	Contributions	5498-SA
Auto reimbursements, employee	W-2	Distributions	1099-SA
Auto reimbursements, nonemployee	1099-MISC	Medical services	1099-MISC
Awards, employee	W-2	Mileage, employee	W-2
Awards, nonemployee	1099-MISC	Mileage, nonemployee	1099-MISC
Barter exchange income	1099-B	Military retirement	1099-R
Bonuses, employee	W-2	Mortgage insurance premiums	1098
Bonuses, nonemployee	1099-MISC	Mortgage interest	1098
Broker transactions	1099-B	Moving expense	W-2
Cancellation of debt	1099-C	Nonemployee compensation	1099-MISC
Capital gain distributions	1099-DIV	Nonqualified deferred compensation:	
Car expense, employee	W-2	Beneficiary	1099-R
Car expense, nonemployee	1099-MISC	Employee	W-2
Changes in capital structure	1099-CAP	Nonemployee	1099-MISC
Charitable gift annuities	1099-R	Original issue discount (OID)	1099-OID
Commissions, employee	W-2	Patronage dividends	1099-PATR
Commissions, nonemployee	1099-MISC	Pensions	1099-R
Commodities transactions	1099-B	Points	1098
Compensation, employee	W-2	Prizes, employee	W-2
Compensation, nonemployee	1099-MISC	Prizes, nonemployee	1099-MISC
Contributions of motor vehicles, boats, and airplanes	1098-C	Profit-sharing plan	1099-R
Cost of current life insurance protection	1099-R	Punitive damages	1099-MISC
Coverdell ESA contributions	5498-ESA	Qualified plan distributions	1099-R
Coverdell ESA distributions	1099-Q	Qualified tuition program payments	1099-Q
Crop insurance proceeds	1099-MISC	Real estate transactions	1099-S
Damages	1099-MISC	Recharacterized IRA contributions	1099-R, 5498
Death benefits:	1099-R	Refund, state and local tax	1099-G
Accelerated	1099-LTC	Rents	1099-MISC
Debt cancellation	1099-C	Retirement	1099-R
Dependent care payments	W-2	Roth conversion IRA contributions	5498
Direct rollovers	1099-Q, 1099-R, 5498	Roth conversion IRA distributions	1099-R
Direct sales of consumer products for resale	1099-MISC	Roth IRA contributions	5498
Directors' fees	1099-MISC	Roth IRA distributions	1099-R
Discharge of indebtedness	1099-C	Royalties	1099-MISC
Dividends	1099-DIV	Timber, pay-as-cut contract	1099-S
Donation of motor vehicle	1098-C	Sales:	
Education loan interest	1098-E	Real estate	1099-S
Employee business expense reimbursement	W-2	Securities	1099-B
Employee compensation	W-2	Section 1035 exchange	1099-R
Excess deferrals, excess contributions, distributions of	1099-R	SEP contributions	W-2, 5498
Exercise of incentive stock option under section 422(b)	3921	SEP distributions	1099-R
Fees, employee	W-2	Severance pay	W-2
Fees, nonemployee	1099-MISC	Sick pay	W-2
Fishing boat crew members proceeds	1099-MISC	SIMPLE contributions	W-2, 5498
Fish purchases for cash	1099-MISC	SIMPLE distributions	1099-R
Foreclosures	1099-A	Student loan interest	1098-E
Foreign persons' income	1042-S	Substitute payments in lieu of dividends or tax-exempt interest	1099-MISC
401(k) contributions	W-2	Supplemental unemployment	W-2
404(k) dividend	1099-DIV	Tax refunds, state and local	1099-G
Gambling winnings	W-2G	Tips	W-2
Golden parachute, employee	W-2	Transfer of stock acquired through an employee stock purchase plan under section 423(c)	3922
Golden parachute, nonemployee	1099-MISC	Tuition	1098-T
Grants, taxable	1099-G	Unemployment benefits	1099-G
Health care services	1099-MISC	Vacation allowance, employee	W-2
Health insurance advance payments	1099-H	Vacation allowance, nonemployee	1099-MISC
Health savings accounts:		Wages	W-2
Contributions	5498-SA		
Distributions	1099-SA		
Income attributable to domestic production activities, deduction for	1099-PATR		

1099 forms

If you need 1099 forms, call our office and tell the receptionist you need to order some 1099 forms and she will connect you with an administrative assistant. You **MUST** know the specific type of forms required – for laser printers (single sheets) **OR** for dot matrix printers or a typewriter (carbonless 4-6 part forms). There are many different types – MISC, INT, DIV, R, etc. Generally, most of your needs will be met with the 1099-MISC. See the instructions below on how to order the forms you will need.

- The continuous carbonless 1099 forms are three part and single wide. 1099-MISC, 1099-DIV, and 1099-R are *two forms per page*. All other 1099 forms are *three forms per page* – 1099-INT, 1098, etc.
- The laser printer forms come in two sets. The regulations pink copy for IRS and the recipient's copy:
 - The 1099-MISC and 1099-DIV have two forms per page for both sets
 - The 1099-R is two per page for the IRS copy and a “four-up” set for the recipient – federal, state, local and recipient's copy
- All other 1099 forms have three forms per page for both sets (1099-INT, 1098, etc.)

Don't forget to order a 1096 transmittal form for each type of 1099 form!

Payroll resource at GMCO

If you have a specific question regarding payroll taxes, W-2 or 1099 forms, please contact:

Norma Johnson
(503) 445-3357
njohnson@gmco.com (e-mail)

Circular 230 Disclosure

Any advice contained in this presentation is not intended or written to be used, and cannot be used, for the purpose of avoiding tax penalties that may be imposed on any taxpayer under the Internal Revenue Code or applicable state or local law provisions.