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# R.C. THORNTON & ASSOCIATES, LLC

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CERTIFIED PUBLIC ACCOUNTANTS

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## Filing of Forms 1099 and 1096

Dear Client:

We wanted to remind you that Forms 1099 and 1096 for 2016 are due January 31, 2017.

Payments made for services, interest, dividends, rents, pension distributions, etc.; need to be reported on Form 1099. The 1099s need to be distributed to the recipients by January 31, 2017.

**There is a new requirement for Form 1099-MISC for the 2016 year** with regard to filing with the IRS. When reporting employee compensation payments in Box 7, the form needs to be submitted to the IRS by January 31, 2017. Otherwise, Form 1099 must be filed by February 28, 2017 if filed on paper or March 31, 2017 if filed electronically. There are similar changes in IRS reporting for Form W-2 and related forms – please contact your payroll service provider for questions regarding those forms.

### IMPORTANT:

If we prepared your forms last year, we can prepare them for you again this year. However, it may be more cost effective for you to consider other options for preparing the forms. There are several ways you can prepare these forms:

1. Many clients prepare their own forms; or
2. If you utilize an outside payroll service (such as Paychex), they often prepare these returns if you contact them; or
3. You can use an online payroll software service, or
4. We can prepare them for you.

If you would like us to prepare these forms for you:

1. You will need to have your complete information to us no later than Tuesday, January 14, 2017.
2. Please provide us with:
  - a. The complete name and address of the vendor and/or payee
  - b. The amount paid
  - c. Withholdings, if any
  - d. Social security number or Employer Identification number
  - e. Indicate what the payment was for (interest, independent contractor, etc.)

We cannot prepare the 1099s unless we receive the complete information listed above in our office by January 14, 2017. After that date, we will assume we are not to prepare these returns for you.

### Our Use of Outside Third Party

When preparing your 1099s and 1096, we intend on utilizing an online payroll software service.

Basically, we utilize this third party to do the processing similar to what we would do if we had the software in house. We input the required information for their processing. They will also transmit the 1099 and 1096 forms as well as mail the 1099 forms on your behalf. You will get a preliminary list before we submit for processing.

We believe this will save you time, and this will be more convenient for everyone.

Many CPAs utilize this service. However, please keep in mind that although the third party maintains that they have strict quality and confidentiality controls, your data will reside on their server, and not ours.

This is the only way we will be preparing the 1099s and 1096s, and we will not be doing them totally "in-house".

P.S. About this time of the year, people ask us for a W-9 form to assist them in preparing their 1099s. Historically we have provided this information with this letter. By now, most have this. Since we will be posting this to our website, we would prefer to keep our employer identification number confidential to the public. So if you need a form W-9 from us, please contact Ann at our office to get a copy of one. She can be reached at 602-678-7067 ext 19 or via email at [ann@rthornton.com](mailto:ann@rthornton.com).