



1329 South 800 East • Orem, Utah 84097-7700 • (801) 225-6900 • Fax (801) 226-7739 • [www.squire.com](http://www.squire.com)

## **1099 Information Reporting Changes**

The passage of the Healthcare reform bill included some drastic changes to 1099 information reporting.

1. The elimination of the corporate exemption.
2. The requirement to report payment for property (goods, material, merchandise, supplies, etc.)
3. A six-fold increase in penalties from \$250,000 to 1.5 million.
4. A doubling of penalties per record from \$50 to \$100.

Beginning with payments made after December 31, 2011, companies will be required to furnish and file form 1099-MISC for payments made to all for-profit companies regardless of corporate status. In addition all payment for goods, materials, merchandise, supplies and other property will need to be reported as well.

It would be a good idea to start collecting W-9s for all vendors that you pay right away so that you have that information on file before the year 2012 starts.