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Another year is almost past, and a new year is upon us. This means that you must prepare for the year-end filing of payroll, income tax and other returns

Below is a schedule of some of the forms that you may be required to file:

| <u>Form</u> | <u>Filing Due Dates</u> |
|---|---|
| 1065/565 Partnership tax returns - December 31 st year-end | March 15 |
| 1120s/100s S Corporate tax returns - December 31 st year-end | March 15 |
| 1041/541 Trust tax returns – December 31 st year-end | April 15 |
| 1040/540 Individual | April 15 |
| 1040/540 Sole Proprietorship Schedule C | April 15 |
| 1120/ 100 Corporate taxpayers December 31 st year-end Non-December 31 st year-end | April 15 3 1/2 months after year-end |
| FBAR - Foreign financial account reporting | April 15 |
| 990/199 Nonprofit tax returns - December 31 st year-end | May 17 |

Please call our office to discuss any tax planning strategies that might benefit you prior to your year-end.

| | <u>Vendor/ Employee</u> | <u>Government</u> |
|---|-----------------------------|-------------------|
| W-2 Employee's annual wages & taxes withheld | Jan 31 | Jan 31 |
| 940 Federal unemployment payroll tax return | | Jan 31 |

If you are using an outside payroll service, your service probably is responsible for preparing these returns for you. Please double check with your payroll processing service.

Do not forget to update all of your employee's W-4's [Federal] and DE-4 [CA State] for 2021.

571-L Annual business property tax statements – CA. Due date **April 1 delinquent date May 7**

If you need assistance or would like for us to prepare your 571-L, please contact our office by **March 1, 2022**, so that we may advise you as to the necessary information required to properly file the return.

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1099's:

DUE DATE: Jan. 31, 2022 to the payee and to the IRS and other applicable state agencies.
Forms 1099-MISC, 1099-NEC 1099-INT, 1099-DIV, etc.

Any person engaged in a trade or business (including partnerships, and nonprofit organizations) that meets any of the following requirements needs to file form 1099-misc 1099-NEC information return. (Personal payments are not reportable.) <https://www.irs.gov/pub/irs-pdf/i1099misc.pdf>

General EXEMPTIONS FROM 1099-MISC REPORTING:

- Corporations continue to remain exempt from information reporting requirements (except if the payments were made to attorneys or health care providers)
- Payments for merchandise (goods and tangible property), telephone, storage, freight, and other similar items, are NOT required to be reported on a form 1099.
- Payments not made in the course of a trade or business (any personal services)
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FORM 1099-K: "Payment settlement entities" (credit card companies, etc.) are now required to report credit card and third-party transaction payments on a form 1099-K. In other words, if you run a business that accepts credit cards, debit cards, or other third-party transaction payments, you *should* receive a form 1099-K for 2021 if you had a gross amount of total reportable payment transactions exceeding \$20,000, and the total number of such transactions exceeds 200. The IRS began matching amounts reported on Form 1099-K for 2021 tax returns, so please include any 1099-K's received when providing us your tax return information.

MISSING ID NUMBERS: If the payee fails to provide their taxpayer identification number to the payor or if the ID number is obviously incorrect, the payor must begin "back-up withholding" of federal income tax at a rate of 28% on all accounts paid to the payee and remit this amount to the IRS. If you are provided an incorrect ID number, the IRS will notify you of an invalid number and, unless the number is corrected, you will have to commence "back-up withholding".

PENALTIES: Both the IRS and the State taxing agencies can disallow a business deduction for any amount that was not properly reported on an information return in addition to assessing penalties. There is also penalty for not supplying timely information statements to recipients.

ROBERT A. COWEN, CPA: We are *not* a corporation. If you paid us \$600 or more in 2021 as a business expense, you will need to prepare and send us a form 1099-MISC.

STATE REPORTING, 1099-MISC/NEC:

http://www.edd.ca.gov/payroll_taxes/independent_contractor_reporting.htm

- You are required to file a 1099-Misc or a 1099-NEC copy with the California Franchise Tax Board if you withheld state income tax or the state amount is different from the federal amount.
- You must file form DE 542 with the California EDD within 20 days of making payments of \$600 or more or entering into a contract of \$600 or more with an independent contractor, whichever is earlier. This applies to any independent contractor that will require a form 1099-MISC for the calendar year. You are not required to report independent contractors that are corporations, general partnerships, limited liability partnerships, or limited liability companies (individuals or sole proprietorships only). Form DE 542 can be filed electronically through the EDD's e-Services for Business or submitted on paper.
- If you are not a California resident, contact us for the applicable rules of your state.

Please note the above are general guidelines. Please contact our office to determine your specific reporting requirements.

NEED HELP? If you would like our assistance in preparing any of these reports, please contact our office as soon as possible. Blank forms can be obtained at the IRS website (www.irs.gov) and most office supply stores. We maintain a limited supply for clients use if you only need a small number of forms.

2021 was a challenging year for all of us. We are hoping that 2022 is going to be a great year for all of us. We look forward to our 36th year of providing quality accounting and income tax preparation services to you, our valuable clients

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