

November 2, 2023

Re: Annual Form 1099-NEC Filing

Dear Pastor or Administrator,

Each parish and school is required to file information returns **Form 1099-NEC (Non-Employee Compensation)** with the Internal Revenue Service for payments to individuals, partnerships, or unincorporated businesses (i.e. independent contractors) who were paid at least \$600 for services (including parts and materials), professional fees, and attorney fees etc. As a reminder, please note, compensation to all active priests (excluding order priests) should be reported on form W-2 and compensation to religious should not be reported on Form W-2 or any Form 1099.

The required forms (1096 & 1099-NEC) are **not** with this letter. You can obtain them either by calling the IRS at 1-800-829-3676 or online at www.irs.gov/orderforms, click on: Online Ordering for Information Returns and Employer Returns complete and submit the order form as soon as possible.

Completion of Form 1099-NEC:

- Independent contractors who were paid \$600 or more for services in 2023 should receive Form 1099-NEC.
- Completion of this form is required for services performed as a non-employee and should include parts and materials. Professional fees, such as fees to attorneys (**including incorporated law firms**), accountants, architects, cleaning services, maintenance services and the like are reportable if at least \$600 per year. Payments for products (for example, building materials or cleaning supplies) need to be included.
- A Form 1099-NEC must be issued to a Limited Liability Company (LLC) which files their tax as an individual/sole proprietor, single-member LLC or partnership. 1099s do not need to be issued to LLC's who file tax returns as corporations (either "C" or "S"; unless a Law Firm). Refer to the LLC's W-9 Form to make this determination.
- Form 1099-NEC should be completed for all retired priests (excluding order priests) who are paid \$600 or more. The amount reported must include Thank you, Retirement and Holiday gifts.
- Each parish should obtain taxpayer identification numbers from all payees who fit into the above categories by requiring them to complete a Request for Taxpayer Identification Number and Certification (Form W-9). Form W-9 can be printed from the IRS website. Go to www.irs.gov and choose Forms & Instructions; type in search box "Form W-9". All completed Form W-9 should be separately filed in alphabetical order so they can be utilized each year.
- The Internal Revenue Service requires your parish withhold 24% from all payments made to independent contractors if you do not obtain a taxpayer identification number. A parish that does not comply with the Internal Revenue Service requirements will be liable for the taxes which should have been withheld as well as other penalties. Therefore, the parish should obtain a completed W-9 form before remitting payment to an

independent contractor. Report backup withholding on Form 945 Annual Return of Withheld Federal Income Tax.

- If you fail to file a correct information return by **January 31, 2024** and you cannot show reasonable cause, you may be subject to a penalty, the amount of penalty is based on when you file the correct information return.

Distribution of completed Forms 1099-NEC:

- Independent contractors must receive their copy of Form 1099-NEC by **January 31, 2024**. Copies must also be retained in the parish files, along with any documentation regarding the calculation of reportable payments.
- The Internal Revenue Service must receive a copy of Form 1099-NEC for each independent contractor paid \$600 or more during 2022, by **January 31, 2024**. Transmittal document Form 1096 should be sent to the IRS along with Forms 1099-NEC.
- Transmittal document Form 1096 must be sent to the IRS along with Forms 1099-NEC. The transmittal (Form 1096) **must be signed by the pastor**. The **signed** copy must be retained in the parish files.

Completed forms should be mailed to:

**Internal Revenue Service
Austin Submission Processing Center
PO Box 149213
Austin, TX 78714**

Special consideration for donated cars or boats:

- If your parish received a donated car or boat during 2023, you may be required to file Form 1098-C. Please contact Internal Audit at 716.847.5572 for further information if this situation applies to your parish.

If you have any questions concerning these IRS regulations, we will be glad to offer assistance to you through the Diocesan Internal Audit Office. Please direct telephone calls to Beth Pericozzi at 716.847.5584 or email (BPericozzi@buffalodiocese.org).

Sincerely,



Beth Pericozzi
Internal Audit Manager

BAP/tg
Enclosures

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VOID CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. <i>St. Nicholas Parish 123 Main St Pleasantville, NY 14123</i>		OMB No. 1545-0116 Form 1099-NEC (Rev. January 2022) For calendar year 20 23	Nonemployee Compensation		
PAYER'S TIN <i>16-XXX XX</i>	RECIPIENT'S TIN <i>XXX-XX-XXXX</i>	1 Nonemployee compensation \$ 4,300			
RECIPIENT'S name <i>Barbara Barrister</i>		2 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>	Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the current General Instructions for Certain Information Returns.		
Street address (including apt. no.) <i>11 Counsel Court</i>		3			
City or town, state or province, country, and ZIP or foreign postal code <i>Buffalo, NY 14203</i>		4 Federal income tax withheld \$			
Account number (see instructions)	2nd TIN not. <input type="checkbox"/>	5 State tax withheld		6 State/Payer's state no.	7 State income
		\$		\$	\$
		\$		\$	\$
		\$		\$	\$

Form **1099-NEC** (Rev. 1-2022) Cat. No. 72590N www.irs.gov/Form1099NEC Department of the Treasury - Internal Revenue Service
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PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. <i>St. Nicholas Parish 123 Main St. Pleasantville, NY 14123</i>		OMB No. 1545-0116 Form 1099-NEC (Rev. January 2022) For calendar year 20 23	Nonemployee Compensation		
PAYER'S TIN <i>16-XXXXXXX</i>	RECIPIENT'S TIN <i>XXX-XX-XXXX</i>	1 Nonemployee compensation \$ 2,000			
RECIPIENT'S name <i>Andrew Snow dba Andy's Plowing</i>		2 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>	Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the current General Instructions for Certain Information Returns.		
Street address (including apt. no.) <i>32 Frost Ave.</i>		3			
City or town, state or province, country, and ZIP or foreign postal code <i>Springville NY 14141</i>		4 Federal income tax withheld \$			
Account number (see instructions)	2nd TIN not. <input type="checkbox"/>	5 State tax withheld		6 State/Payer's state no.	7 State income
		\$		\$	\$
		\$		\$	\$
		\$		\$	\$

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PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		OMB No. 1545-0116 Form 1099-NEC (Rev. January 2022) For calendar year 20 _____	Nonemployee Compensation		
PAYER'S TIN	RECIPIENT'S TIN	1 Nonemployee compensation \$			
RECIPIENT'S name		2 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>	Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the current General Instructions for Certain Information Returns.		
Street address (including apt. no.)		3			
City or town, state or province, country, and ZIP or foreign postal code		4 Federal income tax withheld \$			
Account number (see instructions)	2nd TIN not. <input type="checkbox"/>	5 State tax withheld		6 State/Payer's state no.	7 State income
		\$		\$	\$
		\$		\$	\$
		\$		\$	\$

Form **1099-NEC** (Rev. 1-2022) Cat. No. 72590N www.irs.gov/Form1099NEC Department of the Treasury - Internal Revenue Service

Form **1096** Annual Summary and Transmittal of U.S. Information Returns OMB No. 1545-0108
 Department of the Treasury Internal Revenue Service **2023**

FILER'S name
 Parish Name
 Street address (including room or suite number)
 Parish Address
 City or town, state or province, country, and ZIP or foreign postal code
 City, NY 14xxx

Name of person to contact: Sharon Church Telephone number: XXX-XXX-XXXX
 Email address: schurch@parish.org Fax number: XXX-XXX-XXXX



1 Employer identification number: XX-XXXXXXX 2 Social security number: 3 Total number of forms: 2 4 Federal income tax withheld: \$ 1,400.00 5 Total amount reported with this Form 1096: \$ 8,197.00

6 Enter an "X" in only one box below to indicate the type of form being filed.

W-2G 32	1097-BTC 50	1098 81	1098-C 78	1098-E 84	1098-F 03	1098-Q 74	1098-T 83	1099-A 80	1099-B 79	1099-C 85	1099-CAP 73		1099-DIV 91	1099-G 86	1099-INT 92	1099-K 10
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1099-LS 16	1099-LTC 93	1099-MISC 95	1099-NEC 71	1099-OID 96	1099-PATR 97	1099-Q 31	1099-QA 1A	1099-R 98	1099-S 75	1099-SA 94	1099-SB 43	3921 25	3922 26	5498 28	5498-ESA 72	5498-QA 2A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5498-SA 27																
<input type="checkbox"/>																

Return this entire page to the Internal Revenue Service. Photocopies are not acceptable. Send this form, with the copies of the form checked in box 6, to the IRS in a flat mailer (not folded).

Under penalties of perjury, I declare that I have examined this return and accompanying documents and, to the best of my knowledge and belief, they are true, correct, and complete.

Signature: Rev. William Priest Title: Pastor Date: Current date

Instructions

Future developments. For the latest information about developments related to Form 1096, such as legislation enacted after it was published, go to www.irs.gov/Form1096.

Reminder. You may be required to electronically file (e-file) information returns. Go to www.irs.gov/inforeturn for e-file options. Also, see part F in the 2023 General Instructions for Certain Information Returns.

Purpose of form. Use this form to transmit paper Forms 1097, 1098, 1099, 3921, 3922, 5498, and W-2G to the IRS.

Caution: Form 5498-QA can be filed on paper only, regardless of the number of returns.

Who must file. Any person or entity who files any form checked in box 6 above must file Form 1096 to transmit those forms to the IRS.

Caution: Your name and taxpayer identification number (TIN) (employer identification number (EIN) or social security number (SSN)) must match the name and TIN used on your 94X series tax return(s) or you may be subject to information return penalties. Do not use the name and/or TIN of your paying agent or service bureau.

Enter the filer's name, address (including room, suite, or other unit number), and TIN in the spaces provided on the form. The name, address, and TIN of the filer on this form must be the same as those you enter in the upper left area of Form 1097, 1098, 1099, 3921, 3922, 5498, or W-2G.

When to file. If any date shown falls on a Saturday, Sunday, or legal holiday in the District of Columbia or where the return is to be filed, the due date is the next business day. File Form 1096 in the calendar year following the year for which the information is being reported, as follows.

- With Forms 1097, 1098, 1099, 3921, 3922, or W-2G, file by February 28.*
 - With Forms 1099-NEC, file by January 31.
 - With Forms 5498, file by May 31.
- * Leap years do not impact the due date. See Announcement 91-179, 1991-49 I.R.B. 78, for more information.

Where To File

Send all information returns filed on paper with Form 1096 to the following.

If your principal business, office or agency, or legal residence in the case of an individual, is located in:	Use the following address:
Alabama, Arizona, Arkansas, Delaware, Florida, Georgia, Kentucky, Maine, Massachusetts, Mississippi, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Texas, Vermont, Virginia	Internal Revenue Service P.O. Box 149213 Austin, TX 78714-9213
Alaska, Colorado, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Utah, Washington, Wisconsin, Wyoming	Internal Revenue Service Center P.O. Box 219256 Kansas City, MO 64121-9256