

# Information Returns

## Federal and Oregon Filing Requirements

The due date for 2018 Forms W-2, W-3, and 1099-MISC with data in box 7 for non-employee compensation is January 31, 2019, and applies to paper and electronically filed returns.

Information returns are due on a calendar year basis for certain payments made in the course of a trade or business. Reporting is required for payments to recipients who are individuals, fiduciaries, partnerships and limited liability companies (LLC). If a recipient is a corporation (including an S-Corp), no information return is required unless the payment is for attorney's fees or to a physicians' corporation or other corporate provider of health care services.

The State of Oregon will only accept electronically filed Form W-2s. Businesses with any Form 1099-MISC, 1099-G, 1099-R or W-2G must submit these information returns electronically. If you are required to file 250 or more IRS information returns, you must file electronically. The 250-or-more requirement applies separately to each type of form.

### **Form 1099**

Generally, you must furnish to the recipient Forms 1099 by January 31, 2019. Penalties of up to \$260 per return may be assessed for noncompliance.



The most commonly used 1099 form is the 1099-MISC reporting payments listed below. Other 1099 forms include 1099-DIV and 1099-INT, reporting dividends or interest paid of \$10 or more, and 1099-R, reporting retirement, profit sharing, IRA distributions of \$10 or more.

### **1099-MISC**

- Royalty payments of \$10 or more
- Rent payments of \$600 or more
- Prizes or awards, for which services were not rendered, of \$600 or more
- Non-employee compensation to independent contractors, commissions, professional fees, director's fees, and other payments for services of \$600 or more (Services include the payment for parts and materials used to render the service, unless the provider of the service is in the business of selling parts and materials.)
- Payments to physicians, or other providers of health and medical services of \$600 or more (including corporations)
- Payments to attorneys (of \$600 or more) for services or to report gross proceeds in settlement (all amounts)

### **Form 1098-C (Charities)**

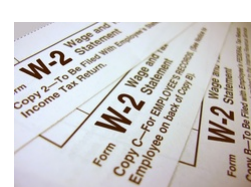
Charitable organizations are required to file Form 1098-C, reporting the donation of used motor vehicles, boats or planes. Also, a charitable organization is required to send Form 1098-C to the donor no later than either 30 days after the date of sale or 30 days after the date of contribution, depending on the circumstances.

### **Form 1095**

All providers of health care, including employers that provide self-insured coverage, must file forms that include information about the coverage of each covered individual. This applies to employers with 50 or more full time employees.

### **Form W-2**

Under certain circumstances employee benefits are considered compensation to your employees. The following is a list of common employee benefits that should be reported on an employee's Form W-2:



- Expense reimbursements or automobile allowances which do not require substantiation by the employee
- Cost of group-term life insurance coverage over \$50,000

- **Personal Use of Company Vehicle**

An employee's personal use of Company car must be treated as compensation and included in gross wages, subject to income and payroll taxes, if the employer pays all the expenses and the employee does not reimburse the employer. This rule applies to both employees and shareholders. The calculation of the amount to be included can be complex and we are here to assist you in the calculation. Please make sure the personal use of company vehicles are added to taxable wages in a one-time amount in the year-end paycheck.

- Personal portion of club dues and all non-employee spousal travel if the employer pays the expenses and the employee does not reimburse the employer

The employee benefits listed above are subject to social security, Medicare and income tax withholdings.

Other employee benefits are included in an employee's income for social security and Medicare tax purposes, but are not included in the employee's taxable wages. Some of these benefits are:

- Salary reduction contributions to a retirement plan including 401(k), SIMPLE and SEP IRA plans
- Adoption benefits

The above list is not meant to be all-inclusive. If you have questions about the reporting requirements for either Form 1099 or W-2, or if we may assist you in their preparation, please call (503) 227-0581.