

When are 1099s due for 2021?

1099 FORM DUE DATES:	
1099-LS	Due February 15 to policy sale payment recipient
	Due January 15 or earlier to the issuer
1099-MISC.	Due February 15
1099-S	Due February 15
1099-SB	Due to IRS March 1 Due to recipient February 15
1099-QA	Due to IRS February 28

Most 1099s are due at the same time they were in previous years. 1099 form Copy As are due to the IRS by March 1st if filing by paper, or March 31st when filing electronically. Copy Bs are due to recipients by January 31st. Pay careful attention to the due dates and to some of the few exceptions to the standard deadlines to avoid incurring penalties from the IRS.

What's 1099-NEC and when is it due?

Most should be familiar by now with the new Form 1099-NEC which is now used instead of Form 1099-MISC to report payments of at least \$600 to freelancers and independent contractors. For more on the new 1099-NEC form, read our [deep dive on the topic](#). 1099-NEC is due to both the IRS and recipients by February 1, making it one of the earliest due forms to the IRS. There is no date extension for filing electronically.

A few 1099 forms have different due dates.

The following forms vary a bit from the conventional due dates mentioned above. The following list notes how they deviate:

- **1099-LS. Reportable Life Insurance Sale.** Due by February 15, 2022, to the reportable policy sale payment recipient. Due by January 15, 2022, to the issuer, or earlier as required by Regulations section 1.6050Y-2(d)(2)(ii)(A).
- **1099-MISC. Miscellaneous Income.** Due to the recipient by Feb 15th if it includes:
 - Substitute dividends and tax-exempt interest payments reportable by brokers of \$10 or more.
 - Gross proceeds paid to attorneys of \$600 or more.
- **1099-S. Proceeds from real estate transactions.** Due to the recipient Feb 15.
- **1099-SB. Seller's Investment in Life Insurance Contract.** Due to the IRS March 1. Due to the recipient February 15.
- **1099-QA. Distributions from ABLE accounts.** Due to the IRS by Feb 28th, it does not have a later due date when filing electronically.

Additional Resource: A full list of forms and due dates can be found on the [IRS website](#).

File 1099s correctly and on time to avoid penalties

You'll want to get your 1099 forms submitted correctly and by the due date as you may be subject to a penalty for failing to do so.

Penalties may apply:

- If you fail to file timely.
- If you fail to include all information required to be shown on a return.
- If you include incorrect information on a return.
- If you file on paper when you were required to file electronically.
- If you report an incorrect TIN.
- If you fail to report a TIN.
- If you fail to file paper forms that are not machine-readable and applicable revenue procedures provides for a machine-readable paper form.

Penalties increase the longer you wait to correct them

If you realize you made a mistake, it's important to address it as quickly as possible to avoid paying increased fees.

The penalty is as follows:

- \$50 per information return if you correctly file within 30 days (by March 30 if the due date is February 28); maximum penalty \$565,000 per year (\$197,500 for small businesses, defined below).
- \$110 per information return if you correctly file more than 30 days after the due date but by August 1; maximum penalty \$1,696,000 per year (\$565,000 for small businesses).
- \$280 per information return if you file after August 1 or you do not file required information returns; maximum penalty \$3,392,000 per year (\$1,130,500 for small businesses).

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What to do if you make a mistake

Fortunately, correcting a mistake isn't too difficult - but you want to do it quickly. There are two types of errors -

each with slightly different steps to address them.

Error Type 1 - This is if your mistake involved an incorrect amount of money, code, or checkbox. To correct it, follow these simple steps:

1. Prepare a new information return.
2. Enter an "X" in the "CORRECTED" box at the top of the form.
3. Correct any recipient information and report other information as per the original return.

Error Type 2 - These mistakes are a little more complicated to fix - and include the following mistakes; no payee TIN, incorrect payee TIN, or incorrect payee name. To correct this, follow these steps:

Step 1:

1. Prepare a new information return.
2. Enter an "X" in the "CORRECTED" box at the top of the form.
3. Enter the payer, recipient, and account number information exactly as it appeared on the original incorrect return; however, enter -0- (zero) for all money amounts.

Step 2:

1. Prepare a new information return.
2. **Do not** enter an "X" in the "CORRECTED" box at the top of the form. Prepare the new return as though it is an original.
3. Include all the correct information on the form including the correct TIN and name.

A few time-saving tips

TIN matching

The easiest way to stave off penalties for name/TIN mismatches is to use the IRS' online TIN matching program before completing 1099-MISC/1099-NEC forms. You may verify up to 25 name/TIN combos on the screen. However, you must register with the IRS to use this program.

Additional Resource: Learn more about [TIN matching](#) from the IRS.

TIN truncation

You may truncate the first five digits of a payee's TIN on their paper or electronic copies; forms filed with the IRS must contain the full TIN. These TTINs, as they're called, look like this: XXX-XX-1234 or ***-**-1234 for SSNs, or XX-XXX1234 or **-***1234 for EINs. You can't truncate your own EIN.