2026 1099 Guide

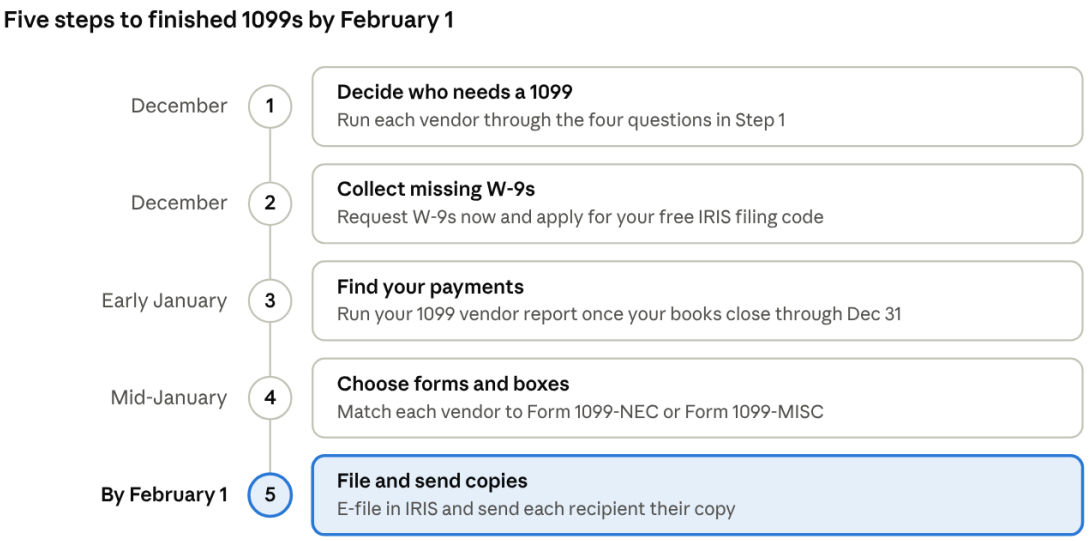
A step-by-step guide from Fleming Advisors for businesses preparing their own 2026 Forms 1099.

If your business paid contractors, freelancers, or landlords in 2026, this guide walks you through everything you need: who gets a 1099, how to collect vendor information, which form to use, and how to file for free with the IRS. Along the way, look for our **Pro tips**: habits that make next year's 1099s take minutes instead of days.

Key date	What's due
Now	Request missing W-9s and apply for your free IRS filing code
Feb 1, 2027	Forms 1099-NEC to recipients and the IRS; 1099-MISC to recipients
Mar 31, 2027	Forms 1099-MISC e-filed with the IRS

> ***What's new for 2026:*** *The reporting threshold is now* ***$2,000****, up from $600. Some vendors who received a 1099 from you last year may not need one this year.*

Your 1099 roadmap

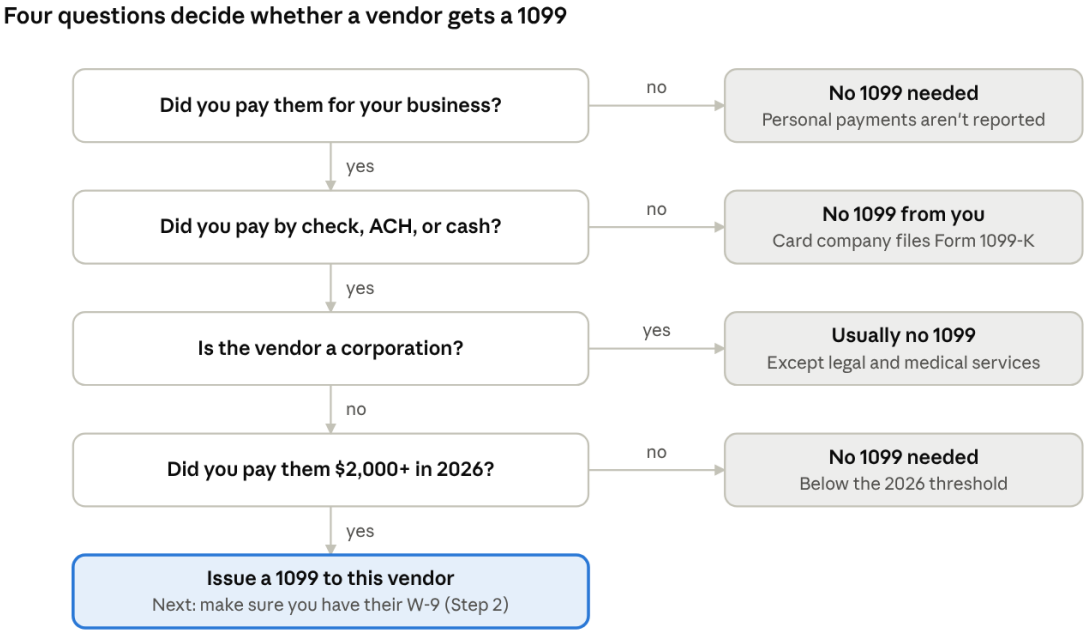


Your 1099 roadmap · 5 steps

Start in December. The W-9s and the IRIS code take the longest, and January goes fast.

Step 1: Do you need to file?

Run each vendor you paid in 2026 through these four questions.



Does this vendor get a 1099? · 4 questions

Two exceptions to the corporation rule. Payments for **legal services** and **medical or health care** get a 1099 even when the vendor is a corporation.

Also not reported on a 1099-NEC or 1099-MISC: wages paid to employees (those go on a W-2), and purchases of merchandise or inventory.

> ***Pro tip:*** *Count every payment method. Checks, ACH, and cash all count toward the $2,000. Only card, debit card, and payment-app payments (like PayPal business payments) are left out, because the payment company reports those on Form 1099-K.*

Read more: Am I required to file a Form 1099? (IRS)

Step 2: Collect a W-9 from each vendor

Form W-9 gives you everything the 1099 needs: the vendor's legal name, address, taxpayer ID number (TIN), and tax classification. The classification tells you whether they're a corporation.

1. Send the vendor a blank Form W-9 (PDF) and ask them to return it **to you**. It never goes to the IRS.
2. Check box 3 (tax classification). An LLC that checks "S" or "C" corporation generally doesn't need a 1099.
3. Save it with the vendor's records and keep it for at least four years.

> ***Pro tip: Get the W-9 before you pay a new vendor the first time.*** *Make it part of setting up any new vendor: no W-9, no first check. A vendor waiting on payment returns a W-9 in a day. A vendor you paid last June may never answer in January.*

> ***Pro tip:*** *Use an electronic W-9 request (many accounting systems and e-signature tools offer one) so the form comes back typed and legible, with no guessing at handwritten numbers.*

If a vendor won't give you a TIN, you're required to begin **backup withholding** of 24% on future reportable payments to them immediately. Call us before you start, because withheld tax has its own deposit and reporting rules. (IRS: Backup withholding)

For details: Instructions for the Requester of Form W-9 (IRS)

Step 3: Find your payments

Once your books are complete through December 31, your accounting software can total what you paid each vendor.

Software	Where to look
QuickBooks Online	**Expenses → Vendors → Prepare 1099s.** Map your expense accounts to 1099 boxes, and confirm the wizard uses the $2,000 threshold for 2026.
Xero	Mark 1099 vendors in **Contacts**, then run the **1099 report**.
Other software or a spreadsheet	Run a 2026 payments-by-vendor report, then remove vendors under $2,000, corporations, and card or payment-app payments.

Common misses to double-check:

- Payments recorded as **journal entries** or **handwritten checks**. Standard 1099 reports often skip them.
- The **same vendor set up twice** under slightly different names. Add the payments together.
- **Rent paid to an individual landlord.** It goes on a 1099-MISC, not a 1099-NEC.
- **Expenses a contractor billed you for**, like mileage or materials. They count toward the total.

> ***Pro tip:*** *Flag a vendor as "1099 eligible" in your software the day you set them up. In January, the report does the work instead of you.*
>
> ***Pro tip:*** *Run your 1099 vendor report once in the summer. You'll catch missing W-9s while there's plenty of time to collect them.*

Step 4: Choose the right form and box

Most small businesses only need **Form 1099-NEC**. Here's where common 2026 payments go. (IRS instructions)

What you paid for	Form and box	Report if your 2026 total is
Services by a contractor, freelancer, or consultant	**1099-NEC, box 1a**	$2,000 or more

What you paid for	Form and box	Report if your 2026 total is
Attorney fees for legal services	**1099-NEC, box 1a**	$2,000 or more
Rent for office, equipment, or land	1099-MISC, box 1	$2,000 or more
Royalties	1099-MISC, box 2	$10 or more
Prizes, awards, and other income not for services	1099-MISC, box 3	$2,000 or more
Medical and health care payments	1099-MISC, box 6	$2,000 or more
Settlement proceeds paid to an attorney (not their fee)	1099-MISC, box 10	$600 or more

> ***Heads up:*** *The 2026 Form 1099-NEC now labels nonemployee compensation as* ***box 1a****. Older forms called it box 1.*
>
> ***Pro tip:*** *Enter the vendor's name and TIN exactly as they appear on the W-9. If they operate under a business name (a "DBA"), the legal name goes on the first line and the DBA on the second. A name and TIN that don't match are the most common cause of IRS notices.*

Step 5: File with the IRS and send copies

E-file for free with IRIS. The IRS's Information Returns Intake System (IRIS) lets you type in each form or upload a spreadsheet, then download copies for your recipients. If you have **10 or more** information returns in total (all 1099s and W-2s combined), e-filing is required.

1. **Get your IRIS code.** Apply for a Transmitter Control Code (TCC) at IRIS application for TCC. You can't file without it.
2. **Enter your forms** in the IRIS Taxpayer Portal and submit them.
3. **Send each recipient their copy** by mail, or by email if they've agreed to electronic delivery.
4. **Save everything:** a PDF of each form and your IRIS submission confirmation.

> ***Pro tip: Apply for your IRIS code in early December.*** *Approval can take several weeks. Businesses that wait until January often discover they can't file on time.*
>
> ***Pro tip:*** *Ask vendors to agree to electronic delivery when you request their W-9. Emailing a PDF in January beats addressing envelopes.*

Prefer paper? You'll need official red-ink Copy A forms ordered from the IRS (forms printed from the website aren't accepted) plus Form 1096. E-filing is faster and gives you a confirmation.

Oklahoma: Oklahoma takes part in the IRS Combined Federal/State Filing program, so most 1099-MISC information reaches the state through your federal filing. Direct state filing is required in some cases, including 1099-NEC forms showing Oklahoma withholding. If you withheld Oklahoma tax from any vendor, or aren't sure, give us a call. (Oklahoma Tax Commission)

Deadlines and penalties

Form	Send to recipient	File with the IRS
1099-NEC	**Feb 1, 2027**	**Feb 1, 2027** (paper or e-file)
1099-MISC	**Feb 1, 2027**	Mar 1, 2027 on paper; Mar 31, 2027 e-filed

The usual January 31 deadline falls on a Sunday in 2027, so it moves to Monday, February 1.

Penalties are charged per form and grow the later you file. For returns due in 2026, they ranged from **$60 per form** (up to 30 days late) to **$340 per form** (after August 1 or never filed), and **$680 per form** for intentional disregard. A separate penalty can apply for not sending the recipient their copy. Amounts rise with inflation each year. (IRS: Information return penalties)

> ***Pro tip:*** *Found a mistake after filing? File a corrected form right away. Mark it "CORRECTED" and send the recipient a new copy. Fixing it quickly keeps penalties low, and IRIS handles corrections too.*

Set up now for an easier 2027

A few habits during the year turn next January's 1099s into a 30-minute job.

- ☐ Require a W-9 from every new vendor before the first payment
- ☐ Mark vendors as 1099-eligible in your accounting software when you set them up
- ☐ Record every vendor payment in your books, including handwritten checks
- ☐ Pay one-time or occasional contractors by business credit card when practical. Card payments are reported by the card company, not you.
- ☐ Run your 1099 vendor report each July and chase any missing W-9s
- ☐ Keep your IRIS code active and your W-9 files in one place
- ☐ Put Dec 1 and Jan 15 reminders on your calendar to start 1099s early

Official IRS resources

Resource	What you'll find
Instructions for Forms 1099-MISC and 1099-NEC (Rev. Dec. 2026)	Box-by-box instructions, the $2,000 threshold, exceptions, due dates
Publication 1099 (2026), General Instructions for Certain Information Returns	Rules for all 1099s: e-filing, corrections, extensions, penalties
Am I required to file a Form 1099?	Plain-language overview of who must file
About Form 1099-NEC	The current form and IRS updates
Form W-9 (PDF) and Requester instructions	The form to send vendors, and how to use it
Backup withholding	What to do when a vendor won't provide a TIN

Resource	What you'll find
E-file information returns with IRIS	The IRS's free filing system
IRIS application for TCC	The code you need before filing in IRIS
Information return penalties	Current penalty amounts

Rather have us handle it?

If this looks like more than you want to take on this year, Fleming Advisors can do it for you, from filing your list to handling everything, including the W-9s. See our **2026 Form 1099 Services Proposal** for options and early-bird pricing. **Done for You** is available through December 15, and **Ledger Review** through January 8.

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