



MISC vs NEC

Understanding the Difference Between
IRS Forms 1099-MISC and 1099-NEC



A BRIEF HISTORY

Form 1099-MISC, Miscellaneous Information (previously Miscellaneous Income), was introduced in 1918 and is used to report various types of income, such as rents, royalties and other income. Form 1099-MISC was also used to report nonemployee compensation income amounts until 2020.

In 2020, the IRS reintroduced Form 1099-NEC, Nonemployee Compensation, which is now used to report nonemployee compensation income amounts. This form was originally discontinued in 1982.

Since the NEC amounts were moved to a new form, the IRS has redesigned and updated the Form 1099-MISC. It is now used to report truly miscellaneous income information.

HOW WAS FORM 1099-MISC CHANGED?

Some of the amounts have shifted to a new box due to the update. We recommend always reviewing the boxes prior to completing forms. The box updates are as follows:

- Box 7 – This box is now a checkbox, which should be checked if the payer made direct sales of \$5,000 or more.
- Box 9 – This box is now used to report crop insurance proceeds amounts.
- Box 10 – This box is now used to report gross proceeds to an attorney.
- Box 12 – This box is now used to report Section 409A deferrals.
- Box 14 – This box is now used to report nonqualified deferred compensation income.

WHAT IS FORM 1099-MISC?

Form 1099-MISC, Miscellaneous Information, was previously known as Miscellaneous Income. This form was updated in 2020, removing nonemployee compensation amounts to the new Form 1099-NEC. This form is now used to report truly miscellaneous income, such as:

- At least \$10 in royalties
- At least \$600 in:
 - Rents
 - Prizes and awards
 - Other income payments
 - Cash paid from a notional principal contract to an individual, partnership, or estate
 - Fishing boat proceeds
 - Medical and health care payments
 - Crop insurance proceeds
 - Gross proceeds paid to an attorney
 - Section 409A deferrals
 - Nonqualified deferred compensation

9595		<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED			
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Rents		OMB No. 1545-0115	
		\$		Form 1099-MISC	
		2 Royalties		(Rev. January 2022)	
		\$		For calendar year 20__	
		3 Other income		4 Federal income tax withheld	
		\$		\$	
PAYER'S TIN	RECIPIENT'S TIN	5 Fishing boat proceeds		6 Medical and health care payments	
		\$		\$	
RECIPIENT'S name		7 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>		8 Substitute payments in lieu of dividends or interest	
				\$	
Street address (including apt. no.)		9 Crop insurance proceeds		10 Gross proceeds paid to an attorney	
		\$		\$	
City or town, state or province, country, and ZIP or foreign postal code		11 Fish purchased for resale		12 Section 409A deferrals	
		\$		\$	
		13 FATCA filing requirement <input type="checkbox"/>		14 Excess golden parachute payments	
		\$		\$	
Account number (see instructions)		2nd TIN not. <input type="checkbox"/>		15 Nonqualified deferred compensation	
				\$	
		16 State tax withheld		17 State/Payer's state no.	
		\$		\$	
				18 State income	
				\$	
				\$	

Miscellaneous Information

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.

Form **1099-MISC** (Rev. 1-2022) Cat. No. 14425J www.irs.gov/Form1099MISC Department of the Treasury - Internal Revenue Service

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WHAT IS FORM 1099-NEC?

Form 1099-NEC, Nonemployee Compensation, was re-introduced in 2020. It's based on an older version of the form that hasn't been used since 1982.

This form is used to report nonemployee compensation income, such as income made by independent contractors. Before the form's reintroduction in 2020, nonemployee compensation amounts were found on Form 1099-MISC, box 7.

If the following conditions are met, then the payment should generally be reported using Form 1099-NEC:

- The payment was made to an individual who is not an employee.
- The payment was made for services in the course of business or trade.
- The payment was made to an individual, partnership, estate, or in some cases, a corporation.
- The payment was made to the payee of at least \$600 during the year.

7171		<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		OMB No. 1545-0116		Nonemployee Compensation
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.				Form 1099-NEC (Rev. January 2022) For calendar year 20__		
PAYER'S TIN	RECIPIENT'S TIN	1 Nonemployee compensation \$		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.		
RECIPIENT'S name		2 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>				
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.

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

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IS THERE A MAXIMUM FORM COUNT FOR PAPER FILING?

Yes, the paper filing threshold form count is an aggregate of 10 forms. Filers must find the sum of the following form types to determine if they must e-file:

- Form 1042-S
- Form 1095-B
- Form 1095-C
- Form 1097-BTC
- Form 1098
- Form 1098-C
- Form 1098-E
- Form 1098-Q
- Form 1098-T
- Form 1099 series
- Form 3921
- Form 3922
- Form 5498 series
- Form 8027
- Forms W-2
- Form W-2G

If a filer has 10 or more of these forms **total**, then they must electronically file.

WHERE TO MAIL 1096 PAPER FILING?

Make sure to include a transmittal Form 1096 when choosing to paper file and only include Copy A of the Forms.

Filers should use their address to determine where to mail their filing. The graphic below outlines the appropriate mailing addresses.

MAIL IN 1096 & 1099 BY STATE

Internal Revenue Service
Austin Submission Processing Center
P.O. Box 149213
Austin, TX 78714

- Alabama
- Arizona
- Arkansas
- Delaware
- Florida
- Georgia
- Kentucky
- Maine
- Massachusetts
- Mississippi
- New Hampshire
- New Jersey
- New Mexico
- New York
- North Carolina
- Ohio
- Texas
- Vermont
- Virginia

Department of the Treasury
IRS Submission Processing Center
P.O. Box 219256
Kansas City, MO 64121-9256

- Alaska
- Colorado
- Hawaii
- Idaho
- Illinois
- Indiana
- Iowa
- Kansas
- Michigan
- Minnesota
- Missouri
- Montana
- Nebraska
- North Dakota
- Oklahoma
- Oregon
- South Carolina
- South Dakota
- Tennessee
- Utah
- Washington
- Wisconsin
- Wyoming

Department of the Treasury
IRS Submission Processing Center
1973 North Rulon White Blvd.
Ogden, UT 84201

- California
- Connecticut
- Washington, D.C.
- Louisiana
- Maryland
- Pennsylvania
- Rhode Island
- West Virginia

Internal Revenue Service
Austin Submission Processing Center
P.O. Box 149213
Austin, TX 78714

If your legal residence or principal place of business or principal office or agency is outside the United States, file with this address.

CAN I SUBMIT AN ELECTRONIC FILING?

Yes, of course! E-filing is encouraged by the IRS and offers many benefits. These benefits include immediate submission, quick turnaround time, and status updates.

E-filing can be a requirement for some filers, though. If filing more than 10 forms total, then you must submit your filing electronically.

If choosing to submit your filing electronically, be sure to find an authorized ACA software provider to make e-filing quick and easy!

WHAT ARE THE DEADLINES FOR THESE FORMS?

If required to file either form type, then it's also required to furnish a statement to each recipient. See the deadlines for this below:

	1099-MISC	1099-NEC
Recipient Copy	January 31 st	January 31 st
Paper File	February 28 th	January 31 st
E-file	March 31 st	January 31 st

If these deadlines fall on a weekend or legal holiday, then the due date is typically the following business day.

Import Data in Your Format

Support for Popular Payroll Providers

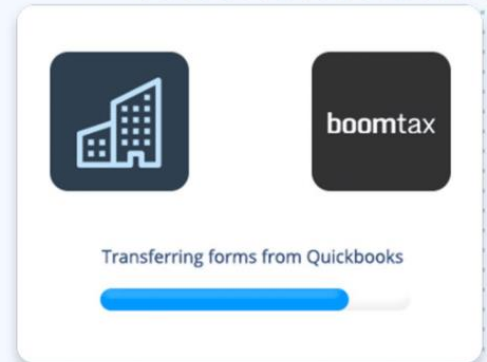
We support data imports from ADP, Sage, UltiPro, Insperity and we are continually adding new formats.

We Support Quickbooks Online

Import your data directly from QBO.

Upload Your IRS Files Directly to Us

Simply drag and drop your IRS ACA files into BoomTax and be ready to file in 5 minutes or less!



Recipient Copies Made Easy

Print & Mail Service

We can print, fold, stuff, affix postage and mail all of your forms for you from a HIPAA compliant facility.

E-Delivery

Electronic consent and delivery that meets IRS guidelines.

Self Service Print & Mail

Print mailable PDFs from your own printer.

NAME / EMAIL	STATUS
Jane Cooper jane.cooper@example.com	● Mailed
Kristin Watson kristin@company.com	● Mailed
Tom Cook tom.cook@company.com	● E-Delivered

Hands Off E-Filing

No Training Needed

Simply click 'E-file' on your filing and we will take care of the rest.

We Keep You in the Loop

We constantly check on the status of your filing and we send you email updates as your filing is processed.

Free Unlimited Corrections

We offer free unlimited corrections for all filings.

OA	Oceanic Airlines Mountain View, CA	● Accepted
SC	Sterling Cooper Austin, TX	● Accepted
BM	Black Mesa Redmond, WA	● Accepted
RE	Rand Enterprises Phoenix, AZ	● Accepted



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