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2022-2024 Key Tax Amounts Comparative Key Tax Amounts

A schedule of comparative key tax amounts for the years 2022-2024 has been posted to our website. [Follow the link to view the schedule.](#)

Forms 1099-MISC and 1099-NEC

Businesses are required to file Form 1099 information returns for various types of payments made throughout the year. These forms are used to report payments to individuals and partnerships paid by a business for items such as dividends and royalties, interest paid in the course of a trade or business, rent, and non-employee compensation.

A trade or business must send a 1099-NEC to a non-corporate entity if payments made for the year total at least \$600 for services. They must also send a 1099-MISC to a non-corporate entity if payments made for the year total at least \$600 for rent, prizes, or awards. These are the most common types of payments, but this list is not all inclusive. Payments for legal services over \$600 must be reported even if paid to a corporation and would be reported on the 1099-NEC form. There are also other types of 1099s for interest, dividends, and other types of income.

Forms 1099-MISC must be filed annually on a calendar year basis. The 1099 must be sent to the recipient by **January 31, 2024**. The returns must be filed with the Internal Revenue Service (and in some cases to your state taxing authority) by **February 28, 2024**. **However, if the payment is for non-employee compensation to be reported on Form 1099-NEC, then it is required to be filed with the IRS by January 31, 2024.** [See the full article for more information.](#)

We recommend that you start gathering your data as soon as possible for your 1099 reporting. Please contact us if you would like our assistance in preparing your 1099s.

W-2 Reporting New Requirement for 2023

The Taxpayer First Act mandates electronic filing of IRS forms including W-2s. If you file 10 or more W-2 and 1099 forms, you are required to electronically file, beginning with the 2023 filing season. The W-2's and 1099's are added together to get to the 10 or more threshold.

Reporting Life Insurance

If employers provide life insurance as part of their employees compensation plan they may need to report those payments as income. If the policy covers \$50,000 or less, you do not need to report the payments as taxable income. However, if the policy covers over \$50,000, then you will need to report payments for the percentage of coverage above \$50,000 as income on the employee's W-2 and it is subject to all taxes (Federal, Social Security, Medicare, and State).

Year End Payroll Checklist

As a small business, there are several things that need to be completed to close out your payroll. Use this checklist as a guide to be sure nothing is missed. [Follow the link to the checklist.](#)

Annual Business Renewal Renewal Required by December 31st

If you have not yet filed your Annual Business Registration online with the Minnesota Secretary of State, you need to do so before December 31, 2023.

Please visit the Secretary of State website, www.sos.state.mn.us, to verify your status and complete your registration prior to the end of the year.

If you prefer to paper file your renewal you can download the appropriate form for your entity type via the Business & Nonprofit Forms page on the [Secretary of State website](#).

S Corporation Owners Health Insurance & HSA W-2 Reporting

Self-employed taxpayers are allowed an "above the line" deduction (a deduction directly from gross income) for 100% of the cost of providing medical and dental insurance for themselves and their families. S Corporation stockholders who own at least 2% of stock are considered self-employed for these rules. Please note that the IRS has issued commentary indicating that if these benefits are not treated properly, the greater than 2% shareholder would not be entitled to applicable deductions on their tax return. [Read Full Article](#).



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