



Certified Public Accountants

91 South Main Street  
West Hartford, CT 06107  
Tel: 860.521.3790  
Fax: 860.561.4339  
info@fkco.com  
www.fkco.com

## FEDERAL & STATE 1099 REPORTING REQUIREMENTS

Dear Business Client:

We would like to take this opportunity to remind you that, with limited exception, every business must file informational returns (Federal Forms 1099) with the Internal Revenue Service for certain payments made during the course of business during 2007. These payments include, but are not limited to:

- 1) Payments to persons, including partnerships and limited liability companies but excluding corporations, of at least **\$600 for services** (i.e. casual labor) in the course of a trade or business.
- 2) Payments to persons, including partnerships and limited liability companies but excluding corporations, of at least **\$600 for rents**, and at least **\$10 for royalties** in the course of a trade or business.
- 3) Payments to persons including partnerships and limited liability companies but excluding corporations, of at least **\$10 for interest** (i.e. interest on officer's loans) in the course of a trade or business.
- 4) Any and all payments to attorneys, including corporations, for services in the course of a trade or business.

These informational returns must be provided to their recipients by **January 31, 2008** and to the IRS by **February 29, 2008**. Failure to file these returns can result in a penalty per unfiled return.

If you would like us to prepare your 1099's please complete the 1099 data input sheet or update last year's data which is enclosed for your convenience. You may instead send us your own report, as long as all required information is included. Please forward this information to our office as soon as possible.

Our office will be pleased to assist you in the preparation of these or any informational returns. As always, please feel free to contact us if you have any questions.

Very truly yours,

Friedman, Kannenberg & Company, P.C.