



## Small Business/Self-Employed

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## Forms and Associated Taxes for Independent Contractors

### Form W-9

If you've made the determination that the person you're paying is an independent contractor, the first step is to have the contractor complete [Form W-9](#) (PDF), Request for Taxpayer Identification Number and Certification. This form can be used to request the correct name and [Taxpayer Identification Number](#), or [TIN](#), of the worker. A TIN may be either a Social Security Number (SSN), or an Employer Identification Number (EIN). The [W-9](#) (PDF) should be kept in your files for four years for future reference in case of any questions from the worker or the IRS.

### Form 1099-MISC

[Form 1099-MISC](#) (PDF) is most commonly used by payers to report payments made in the course of a trade or business to others for services.

If you paid someone who is not your employee, such as a subcontractor, attorney or accountant \$600 or more for services provided during the year, a [Form 1099-MISC](#) (PDF) needs to be completed, and a copy of [1099-MISC](#) (PDF) must be provided to the independent contractor by January 31 of the year following payment. You must also send a copy of this form to the IRS by February 28 (although the form does not have to be sent to the IRS until March 31 if the business files the 1099s electronically, using the [FIRE system](#)).

Also note that independent contractors may have their own employees or may hire other independent contractors (subcontractors). In either case, they should be aware of their tax responsibilities, including filing and reporting requirements, for these workers.

There are certain situations where a 1099 is not required. These exceptions are listed in the [1099 Instructions](#) (PDF).

### Filing Electronically

The [Filing Information Returns Electronically \(FIRE\)](#) system is set up for financial institutions and others to file Information Return Forms 1042-S, 1098, 1099, 5498, 8027 or W-2G. Information Returns can be filed electronically, however, you must have software that can produce the file in the proper format as required by Publication 1220. FIRE does not provide an electronic fill-in form option. For additional information on FIRE software, please visit the [FIRE software vendors](#) Web page.

*Page Last Reviewed or Updated: 14-Jan-2013*