

1099M BOX DESCRIPTIONS

For additional details and instructions refer to [IRS 1099M Instructions](#)

1	<p>Rents Enter amounts of \$600 or more for all types of rents, such as:</p> <ul style="list-style-type: none"> • Real estate rentals paid for office space (unless paid to a real estate agent) • Machine rentals (for example, renting a bulldozer to level your parking lot) • Pasture rentals (for example, farmers paying for the use of grazing land)
2	<p>Royalties Enter gross royalty payments (or similar amounts) of \$10 or more.</p>
3	<p>Other Income Enter other income of \$600 or more required to be reported on Form 1099-MISC that is not reportable in one of the other boxes on the form.</p> <p>Enter in box 3:</p> <ul style="list-style-type: none"> • Prizes and awards that are not for services performed. Include the fair market value (FMV) of merchandise won on game shows. • Amounts paid to a winner of a sweepstakes not involving a wager. If a wager is made, report the winnings on Form W-2G, Certain Gambling Winnings. • Also include amounts paid to a winner of a sweepstakes not involving a wager. If a wager is made, report the winnings on Form W-2G, Certain Gambling Winnings. <p>Do not include:</p> <ul style="list-style-type: none"> • Prizes and awards paid to your employees. Report these on Form W-2. • Prizes and awards for services performed by non-employees, such as an award for the top commission salesperson. Report them in box 7. <p>Other items required to be reported in box 3:</p> <ul style="list-style-type: none"> • Generally, all punitive damages, any damages for non-physical injuries or sickness, and any other taxable damages. • Payments as explained on page 2 of Instructions for Form 1099-MISC under <i>Deceased employee's wages</i>. • Payments as explained on page 3 Instructions for Form 1099-MISC under <i>Indian gaming profits, payments to tribal members</i>. • Termination payments to former self-employed insurance salespeople. • A payment or series of payments made to individuals for participating in a medical research study or studies.
4	<p>Federal Income Tax Withheld Enter backup withholding.</p> <p>Persons who have not furnished their TIN are subject to withholding at a 28% rate on payments required to be reported in boxes 1, 2 (net of severance taxes), 3, 5 (to the extent paid in cash), 6, 7 (except fish purchases for cash), 8, 10, and 14.</p>
5	<p>Fishing Boat Proceeds Enter the individual's share of all proceeds from the sale of a catch or the FMV of a distribution in kind to each crew member of fishing boats with normally fewer than 10 crew members.</p>

6	<p>Medical and Health Care Payments Enter payments of \$600 or more made in the course of your trade or business to each physician or other supplier or provider of medical or health care services.</p> <ul style="list-style-type: none"> • Include payments made by medical and health care insurers under health, accident, and sickness insurance programs. • If payment is made to a corporation, list the corporation as the recipient rather than the individual providing the services. • Payments to persons providing health care services often include charges for injections, drugs, dentures, and similar items. In these cases the entire payment is subject to information reporting. You are not required to report payments to pharmacies for prescription drugs. <p>Generally, payments made under a flexible spending arrangement (as defined in section 106(c)(2)) or a health reimbursement arrangement which is treated as employer-provided coverage under an accident or health plan for purposes of section 106 are exempt from the reporting requirements of section 6041.</p>
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7	<p>Nonemployee Compensation Enter non-employee compensation of \$600 or more. Include:</p> <ul style="list-style-type: none"> • Fees, commissions, prizes and awards for services performed as a non-employee • Other forms of compensation for services performed for your trade or business by an individual who is not your employee, and fish purchases for cash. • Oil and gas payments for a working interest, whether or not services are performed. • Expenses incurred for the use of an entertainment facility that you treat as compensation to a non-employee. <p>What is non-employee compensation? If the following four conditions are met, you must generally report a payment as non-employee compensation.</p> <ul style="list-style-type: none"> • You made the payment to someone who is not your employee; • You made the payment for services in the course of your trade or business (including government agencies and non-profit organizations); • You made the payment to an individual, partnership, estate, or, in some cases, a corporation; • You made payments to the payee of at least \$600 during the year. <p>Self-Employment Tax Generally, amounts reportable in box 7 are subject to self-employment tax. If payments to individuals are not subject to this tax and are not reportable elsewhere on Form 1099-MISC, report the payments in box 3. However, report section 530 (of the Revenue Act of 1978) worker payments in box 7.</p> <p>Non-qualified Deferred Compensation (Section 409A) Income Include in box 7 the amount of all deferrals (plus earnings) reported in box 15b that are includible in gross income because the non-qualified deferred compensation (NQDC) plan fails to satisfy the requirements of section 409A. These amounts generally are subject to self-employment tax and are also subject to a substantial additional tax under section 409A that is reported on the non-employee's Form 1040. See Regulations sections 1.409A-1 through 1.409A-6</p> <p>Golden Parachute Payments A parachute payment is any payment that meets all of the following conditions.</p> <ul style="list-style-type: none"> • The payment is in the nature of compensation. • The payment is to, or for the benefit of, a disqualified individual. • The payment is contingent on a change in the ownership of a corporation, the effective control of a corporation, or the ownership of a substantial portion of the assets of a corporation (a change in ownership or control). • The payment has (together with other payments described in 1, 2, and 3, above, made to the same individual) an aggregate present value of at least three times the individual's base amount.
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	<p>A disqualified individual is one who at any time during the 12-month period prior to and ending on the date of the change in ownership or control of the corporation (the disqualified individual determination period) was an employee or independent contractor and was, in regard to that corporation, a shareholder, an officer, or a highly compensated individual.</p> <p>Independent Contractor Enter in box 7 the total compensation, including any golden parachute payment. For excess golden parachute payments, see box 13 reporting instructions.</p> <p>Payments Not Reported in Box 7 Do not report in box 7, nor elsewhere on Form 1099-MISC, the cost of current life insurance protection (report on Form W-2 or Form 1099-R); an employee's wages, travel or auto allowance, or bonuses (report on Form W-2); or the cost of group-term life insurance paid on behalf of a former employee (report on Form W-2).</p>
8	<p>Substitute Payments in Lieu of Dividends or Interest Enter aggregate payments of at least \$10 received by a broker for a customer in lieu of dividends or tax-exempt interest as a result of a loan of a customer's securities. For this purpose, a customer includes an individual, trust, estate, partnership, association, company, or corporation.</p> <p>It does not include a tax-exempt organization, the United States, any state, the District of Columbia, a U.S. possession, or a foreign government. File Form 1099-MISC with the IRS and furnish a copy to the customer for whom you received the payment. Also, file Form 1099-MISC for and furnish a copy to an individual for whom you received a payment in lieu of tax-exempt interest.</p> <p>Substitute payment means a payment in lieu of (a) a dividend or (b) tax-exempt interest to the extent that interest (including OID) has accrued while the securities were on loan.</p>
9	<p>Payer Made Direct Sales of \$5,000 or More Enter an "X" in the checkbox for sales by you of \$5,000 or more of consumer products to a person on a buy-sell, deposit-commission, or other commission basis for resale (by the buyer or any other person) anywhere other than in a permanent retail establishment. Do not enter a dollar amount in this box.</p> <p>If you are reporting an amount in box 7, you may also check box 9 on the same Form 1099-MISC.</p> <p>The report you must give to the recipient for these direct sales need not be made on the official form. It may be in the form of a letter showing this information along with commissions, prizes, awards, etc.</p>
10	<p>Crop Insurance Proceeds Enter crop insurance proceeds of \$600 or more paid to farmers by insurance companies unless the farmer has informed the insurance company that expenses have been capitalized under section 278, 263A, or 447</p>
11	<p>Make no entries in this box</p>
12	<p>Make no entries in this box</p>
13	<p>Excess Golden Parachute Payments Enter any excess golden parachute payments. An excess parachute payment is the amount of the excess of any parachute payment over the base amount (the average annual compensation for services includable in the individual's gross income over the most recent 5 tax years). See Q/A-38 through Q/A-44 of Regulations section 1.280G-1 for how to compute the excess amount.</p>

14	<p>Gross Proceeds Paid to an Attorney Enter gross proceeds of \$600 or more paid to an attorney in connection with legal services (regardless of whether the services are performed for the payer). See Payments to attorneys on page 2.</p>
15a	<p>Section 409A Deferrals You do not have to complete this box. For details, see Notice 2008-115, available at http://www.irs.gov/ .</p> <p>If you complete this box, enter the total amount deferred during the year of at least \$600 for the non-employee under all non-qualified plans. The deferrals during the year include earnings on the current year and prior year deferrals.</p>
15b	<p>Section 409A Income Enter all amounts deferred (including earnings on amounts deferred) that are includible in income under section 409A because the NQDC plan fails to satisfy the requirements of section 409A.</p>
16-18	<p>Boxes 16-18. State Information These boxes, and Copies 1 and 2, are provided for your convenience only and need not be completed for the IRS. Use the state information boxes to report payments for up to two states. Keep the information for each state separated by the dash line.</p>