

Screener Guide
Form 1099-MISC Filing Compliance
National Tax Forums 2018 – Focus Groups

Screener’s Guide for “Form 1099-MISC Filing Compliance”

Hello, my name is _____ and I am an employee of the Internal Revenue Service. I am recruiting tax practitioners to participate in one of the focus group discussions that will be held during this tax forum. The IRS has asked me to gather ideas, opinions and experiences from practitioners who have experience preparing and filing Form 1099-MISC for businesses.

May I ask you two qualifying questions?

Qualifying Questions:

Do you prepare and file Form 1099-MISC on behalf of your clients?

If the answer is no, thank the practitioner for stopping to talk with you.

Did you prepare ten or more 1099-MISC forms in the past three years?

If the answer is no, thank the practitioner for stopping to talk with you.

If the answer is yes, then invite the practitioner to participate in the focus group.

We would like to invite you to participate in the focus group titled “Form 1099-MISC Filing Compliance” with approximately nine other tax practitioners. Again, we want to hear your opinions, views and ideas. The session will take approximately 1 hour and will be held on __ (day) __ at __ (time) __ in Room _____.

The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this focus group is 1545-1349. We estimate the time required to be one hour. Also, if you have any comments regarding the time estimates associated with this study or suggestions on making this process simpler, please write to:

Internal Revenue Service
Special Services Section
SE:W:CAR:MP:T:M:S – Room 61291111 Constitution Ave. NW
Washington, DC 20224

**Moderator Guide for
Form 1099-MISC Filing Compliance
Focus Group**

Hi! My name is _____ and I'm a focus group moderator from the Internal Revenue Service. This is my co-moderator _____.

The IRS has a strong commitment to improve our service to customers. We are seeking important information about taxpayer and practitioner experiences with IRS Form 1099-MISC. The intent of the questions is to collect data necessary to adjust current policies and procedures relating to information return processes, as well as improving customer and employee satisfaction. The questions seek to secure feedback from tax professionals about steps taken by business taxpayers to issue Form 1099-MISC.

Before we start, let me ask how many of you have ever participated in a focus group before? For those of you who have not, let me explain. A focus group is a research tool used to gather ideas and opinions from a group of individuals with a common characteristic or experience by means of directed discussion.

My job as a moderator is to help guide the flow of conversation, make sure everyone's comments are heard, and ensure that questions about various aspects of the topics are covered. You will see me referring to this outline during our session. The outline includes all points I need to cover with the group, and helps me keep the discussion on track. It is important that we cover all of the topics. Therefore, I may at times have to break off the conversation in order to move on to another area in the guide.

In order for our discussion to move along smoothly, I would like to go over some ground rules:

- The IRS secured this room for you to speak with us.
- We only need to know your first name in order to keep the discussion moving.
- There is no right or wrong answers, but there could be different points of view.
- Everyone's opinion is valuable, so I'd like everyone to participate and be courteous to others.
- Please silence any cell phones.
- Please speak one-at-a-time, loudly and clearly.
- I will be watching our time and directing our conversation. My co-moderator will be taking notes.
- We will be here about one hour. There will be no formal break; however, if you need to stretch, go to the restroom, or walk around a little, feel free to do so but please come back quickly. Your comments are very important to us.

We are required to report to you the OMB control number for this public information request. That number is 1545-1349.

Note to Moderator: Focus of IR project: To better understand the reasons of payer non-compliance (those who should file Form 1099-MISC but are not filing them).

Note to Moderator: Distribute Form 1099-MISC from 2017 as a reference point.

Warm Up

We only need to know your FIRST name before you speak so we can make sure everyone is equally engaged in the discussion. Please also remember to keep all information shared in this room private, including conversations and participant names private. This will allow us to adhere to privacy, disclosure and security practices during this session. We ask every participant to maintain privacy for each other.

Let's begin! Please give me your first name only and how long you have been preparing business returns.

Note: Go around the table or room.

General Questions

1) What percentage of your clients request Form 1099-MISC services from you?

Probe: If you don't provide this service, how do clients handle it? Do they prepare it themselves? Payroll services?

Probe: Do you submit Form 1099-MISC electronically or paper? If paper, why?

Probe: If you are filing Form 1099-MISC by paper, how could the IRS make it easier to file electronically?

2) When you provide Form 1099-MISC services, which tasks do you handle?

Probe: Do you help maintain records, prepare the forms, file forms with IRS, and/or mail forms to the recipients?

Probe: How about payroll services and bookkeeping?

3) How much time and resources do your clients spend preparing Form 1099-MISC?

Probe: What are the most common issues you experience when preparing Form 1099-MISC? Why?

Probe: Getting the correct recipient TIN / EIN? Instructions confusing?

Probe: Do you prefer your clients or payroll service handle the 1099-MISC? Why?

Industry Climate? – tax knowledge, types of labor, etc.

4) How much do you think your clients know about Form 1099-MISC filing requirements?

5) What tax knowledge differences do you notice with new vs. established businesses?

Probe: Form 1099-MISC?

Probe: Do some industry businesses seem more informed?

Probe: Small vs large businesses? Trends?

6) What education do you provide to your clients about Form 1099-MISC?

Probe: New vs. established businesses?

Probe: What education should IRS provide to businesses? Questions clients you about?

7) What trends in 1099-MISC filing process have you noticed with your clients in the past five years?

Probe: Moving to payroll and bookkeeping service? Personnel Employer organizations?

8) What are the most common Form 1099-MISC payment categories you issue for your clients?

Probe: non-employee compensation, medical, fishing income, rents, royalties, attorney fees?

Preparing Form 1099-MISC

9) When you are preparing a business return, where is the Form 1099-MISC income reported on the tax return?

Probe: Is there a difference between using tax software and a manual paper method.

10) What documentation do you require your clients to provide when preparing a business return?

Probes: Form 1099-MISC, Form W-2, copy of checks, bookkeeping records, receipts, bank/credit card statements, schedule K-1, IRS Wage and Income transcript, verbal?

11) Are there certain items that might lead you to believe that a Form 1099-MISC may need to be issued?

Probe: Expenses? Income? Receipts? Previous year return? Type of business?

12) If you are preparing a return that seems to have Form 1099-MISC or Form W-2 requirements and your client has not issued any Form 1099-MISC or Form W-2, how do you handle this? What are the filing barriers?

Probe: What reasons do clients give for not filing Form 1099-MISC or Form W-2?

Probe: Do your clients have corporate structures that separate filing and/or paying responsibilities?

Probe: Do your clients file information reporting forms and/or tax returns under separate EINs?

13) Are there any 1099-MISC filing compliance challenges among any specific industries?

Probe: Construction? Transportation? Real estate and rental and leasing? Healthcare and social assistance? Agriculture, forestry, and fishing and hunting? Finance and insurance? Retail trade? Professional scientific and technical services?

Probe: What elements of those industries make it more challenging?

14) Discussions are underway about the Form 1099-MISC dollar threshold requirement. What are your thoughts on raising the dollar threshold from the current \$600?

15) Have you used IRS resources for assistance with the Form 1099-MISC filings, letter follow-ups, or rejected filings? How was the customer service you received?

Probe: Do you have issues with getting Form 1099-MISC filings accepted?

Probe: Aware of 1099-MISC NEC due February 28th?

Conclusion

16) Are there any additional comments about the topics we covered today?

Thank you for sharing your thoughts and opinions today. Your participation and feedback is extremely valuable and it will provide the IRS with information to consider. Have a great day!