

Supporting Statement
Internal Revenue Service (IRS)
Form 1099-MISC, Miscellaneous Information
OMB # **1545-0115**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Sections 6041, 6045(d), and 6050A of the Internal Revenue Code require certain persons engaged in a trade or business to file information returns reporting specified payments made during the year. Form 1099-MISC is used to report miscellaneous payments such as rents, royalties, prizes and awards, medical and health care payments, crop insurance proceeds, fishing boat proceeds, and other payments required by statute and regulation. The information is furnished to both the IRS and the payee to facilitate accurate tax reporting and compliance.

2. USE OF DATA

The IRS uses the information to verify compliance with the reporting rules and to verify that the recipient has included the proper amount of income on his or her income tax return.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Form 1099-MISC is electronically enabled.

4. EFFORTS TO IDENTIFY DUPLICATION

The information obtained through this collection is unique and is not already available for use or adaptation from another source.

5. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

The collection has been designed to minimize burden on all respondents, including small businesses. The reporting requirements are the minimum necessary to ensure compliance with the applicable provisions of the Internal Revenue Code.

6. CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS OR POLICY ACTIVITIES

Form 1099-MISC reflects the annual reporting requirements under sections 6041, 6045(d), and 6050A. Less frequent reporting will not allow the agency to verify compliance with the reporting rules, nor verify that the recipient has included the proper amount of income on his or her income tax return.

7. SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)

There are no special circumstances requiring data collection to be inconsistent with guidelines in 5 CFR 1320.5(d)(2).

8. CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS

In response to the Federal register notice dated February 12, 2026 (91 FR 6732), we have received 1 public comments from Alice P. Jacobsohn. The full comments will be included within submission to the Office of Management and Budget (OMB). The summary of the comments and the IRS responses are below:

**Alice P. Jacobsohn Comments dated April 3, 2026.
Form 1099-MISC, Miscellaneous Information**

Comment Number	Summary of public comment	IRS response
1	PayrollOrg recommends consolidating nonqualified deferred compensation reporting for nonemployee directors and independent contractors on Form 1099-NEC rather than requiring reporting on both Forms 1099-MISC and 1099-NEC. PayrollOrg states that using one form would simplify filing and reduce confusion for filers and recipients.	The IRS appreciates this recommendation. The suggestion has been referred to the appropriate IRS program office, the Senior Technical Advisor, and the Office of Chief Counsel for evaluation. The IRS will consider the recommendation in connection with future forms and information reporting guidance.
2	PayrollOrg recommends that information reporting related to the One Big Beautiful Bill Act (OB3) for nonemployees be reported only on Form 1099-NEC, rather than split between Forms 1099-MISC and 1099-NEC. PayrollOrg also requests clarification regarding the treatment of cash tips and overtime compensation on the two forms, including when qualified overtime compensation would be reported on a Form 1099 rather than Form W-2.	Reporting all relevant nonemployee information only on Form 1099-NEC would be inconsistent with the statutory reporting framework. Public Law 119-21 added separate reporting requirements within existing reporting regimes; it did not require all amounts to be reported on Form 1099-NEC. Accordingly, the applicable information return continues to depend on the character of the underlying payment and the status of the worker or payee under the relevant reporting provision. Section 224 allows a deduction for qualified tips only if the tips are included on statements furnished under section 6041(d)(3), 6041A(e)(3), 6050W(f)(2), or 6051(a)(18), or are reported by the taxpayer on Form 4137. Section 225 allows a deduction for qualified overtime compensation only if the compensation is included on statements furnished under section 6041(d)(4) or 6051(a)(19). Those statutory cross-references correspond to different existing information-reporting regimes. For example, section 6041 generally corresponds to certain fixed or determinable income reportable on Form 1099-MISC, section 6041A generally corresponds to certain payments for services reportable on Form 1099-NEC, section 6050W applies to reportable payment card and third-party network transactions reported on Form 1099-K, and section 6051 applies to wages and employee tips reported on Form W-2. These cross-references support the approach taken in the forms and instructions: the new tip and overtime information is reported on the information return on which the underlying payment is

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		otherwise reportable. Moreover, requiring all nonemployee tip and overtime information to be reported only on Form 1099-NEC would require payers to move amounts from the form and box otherwise prescribed for the payment, which could reduce the accuracy and utility of the information collected and create unnecessary corrective or duplicate reporting. The instructions provide that cash tips and qualified overtime compensation are reported separately on Form 1099-NEC or Form 1099-MISC only when included in the underlying amount otherwise reportable on that form. The separate boxes identify the relevant tip, occupation-code, and overtime information without changing the form or box on which the payment is otherwise required to be reported. Qualified overtime compensation generally should be reported on Form W-2 when paid to an employee as wages. The only circumstance in which qualified overtime compensation would be reported on Form 1099-MISC or Form 1099-NEC instead of Form W-2 is when the worker is an employee for FLSA purposes but is treated as an independent contractor for Internal Revenue Code purposes. See Question 7 on FS-2026-13. Because the forms and instructions follow the applicable statutory reporting provisions and provide separate reporting fields for the information required by Public Law 119-21, the IRS has determined that no changes are necessary to enhance the quality, utility, or clarity of the collection or to reduce burden.
3	PayrollOrg notes that the Department of Labor and the IRS use different standards for determining employee and independent contractor status and states that the differing definitions can create uncertainty for employers. PayrollOrg asks the IRS to better coordinate with the Department of Labor on the definition of an independent contractor.	The IRS appreciates this comment. The recommendation regarding worker classification and coordination has been referred to the appropriate IRS subject matter experts, the Senior Technical Advisor, and the Office of Chief Counsel for consideration.
4	PayrollOrg recommends that, when possible, draft information-return forms and their related instructions be published for public comment at the same time so that stakeholders can better understand the IRS's interpretations and provide informed comments.	The IRS appreciates this recommendation regarding the timing of draft forms and instructions. We are unable to provide the forms and the instructions at the same time. Forms are generally sent out before instructions for comments. The comments received are then considered, and if implemented, are incorporated into the instructions.

9. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

No payments or gifts have been provided to respondents.

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Generally, tax returns and tax return information are confidential as required by 26 USC 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the “Filing Information Returns Electronically (Fire)” system and a Privacy Act System of Records Notice (SORN) has been issued for these systems under Treas./IRS 24.030-Customer Account Data Engine Individual Master File; and Treas./IRS 34.037–IRS Audit Trail and Security Records System. The Internal Revenue Service PIAs can be found at:

<https://www.irs.gov/uac/Privacy-Impact-Assessments-PIA>, or at:
<https://www.irs.gov/pub/irs-pia/fire-pia.pdf>.

Title 26 USC 6109 requires inclusion of identifying numbers in returns, statements, or other documents for securing proper identification of persons required to make such returns, statements, or documents and is the authority for social security numbers (SSNs) in IRS systems.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The burden estimate is as follows:

Form Number	Description	# Respondents	# Responses Per Respondent- Approximate	Total Annual Responses	Hours Per Response	Total Burden
1099-MISC	Miscellaneous Information	43,763,450	1	43,763,450	.47	20,568,822
TOTAL		43,763,450	1	43,763,450	.47	20,568,822

The following regulations impose no additional burden. Please continue to assign OMB number 1545-0115 to these regulations:

1.6041-1(a)	1.6041A-1
1.6041-1(d)	1.6045-2(a)
1.6041-1(e)	1.6045-2(f)
1.6041-1(g)	1.6050A-1
1.6041-4(a)	1.6050N-1
1.6041-6	1.409A
1.1471	

We have reviewed these regulations and determined that the reporting requirements are reflected entirely in Form 1099-MISC. Accordingly, no additional burden is attributed to the regulations.

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There is no start-up costs associated with this collection.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

The Federal government cost estimate is based on a model that considers the following three cost factors for each information product: aggregate labor costs for development, including annualized startup expenses, operating and maintenance expenses, and distribution of the product that collects the information.

The government computes costs using a multi-step process. First, the government creates a weighted factor for the level of effort to create each information collection product based on variables such as complexity, number of pages, type of product and frequency of revision. Second, the total costs associated with developing the product such as labor cost, and operating expenses associated with the downstream impact such as support functions, are added together to obtain the aggregated total cost. Then, the aggregated total cost and factor are multiplied together to obtain the aggregated cost per product. Lastly, the aggregated cost per product is added to the cost of shipping and printing each product to IRS offices, National Distribution Center, libraries, and other outlets. The result is the Government cost estimate per product.

The government cost estimate for this collection is summarized in the table below.

<u>Product</u>	<u>Aggregate Cost per Product (factor applied)</u>		<u>Printing and Distribution</u>		<u>Government Cost Estimate per Product</u>
Form 1099-MISC	\$50,732	+	\$136,972	=	\$187,704
Instr. 1099-MISC	\$42,277	+	\$0	=	\$42,277
Instr. 1099-MISC /1099-NEC	\$10,006	+	\$0	=	\$10,006
Grand Total	\$103,015	+	\$136,972	=	\$239,987
Table costs are based on 2025 actuals obtained from IRS Chief Financial Office and Media and Publications					

15. REASONS FOR CHANGE IN BURDEN

Changes made to comply with P.L. 119-21 (Sec. 70201 and 70202) will result in a burden increase of 2,625,807 hours. Updated estimates based on 2025 Pub 6961 will decrease the estimated annual responses by 6,573,550 and decrease the burden hours by 2,695,155. The result of these changes is a net burden decrease of 69,348.

	Requested	Program Change Due to New Statute	Program Change Due to Agency Discretion	Change Due to Adjustment in Agency Estimate	Change Due to Potential Violation of the PRA	Previously Approved
Annual Number of Responses for this IC	43,763,450	0	0	-6,573,550	0	50,337,000
Annual IC Time Burden (Hours)	20,568,822	2,625,807	0	-2,695,155	0	20,638,170
Annual IC Cost Burden (Dollars)	0	0	0	0	0	0

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

There are no plans for tabulation, statistical analysis and publication.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

The IRS believes that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the collections expire as of the expiration date. Taxpayers are not likely to be aware that the IRS intends to request renewal of the OMB approval and obtain a new expiration date before the old one expires.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions to the certification statement for this collection.