



**U.S. Citizen, Permanent Resident or Resident Alien
Independent Contractor**

| Defining Activity for Payments | Key Rules, Impacts and Forms | Year-End Tax Statement Sent | Tax Filing References |
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| <p>Independent Contractor</p> <p>Contracted services are provided, but the RF does not control or does not have the right to control how, the work is performed. Refer to Independent Contractor Defined</p> <p>Business Travel Reimbursements – In general, not taxable IF documented and turned in timely, otherwise taxable and reportable income on 1099-MISC.</p> | <p>Request for basic Information</p> <p>Staff will request that the payment recipient provide an official name, address, tax classification and U.S. TIN on IRS Form W-9, or a similar form. It is very important to provide this information to us to ensure we have the accurate information in our payment and reporting system.</p> <p>Income Tax Withholding:</p> <p>The RF is not required to withhold income taxes at time of payment but the recipient will have self employment tax implications during the calendar year and at year end when they file their individual income tax return.</p> <p>Generally self employed register and pay “estimated tax payments” quarterly during the calendar year to the IRS and / or NYS to ensure they have paid taxes and paid them timely and avoid late payment penalties when filing year end individual income tax returns.</p> | <p>1099-MISC Box 7 – “Nonemployee Compensation”</p> <p>(IRS deadline - Postmarked or available by January 31)</p> <p>Reporting threshold - \$ 600 or more.</p> <p>If the amount is less than \$600, the RF is not required to issue a 1099-MISC but this does not relieve the payment recipient from individual filing responsibilities.</p> | <p>Self-Employed Individuals Tax Center</p> <p>IRS Form 1040 Instructions</p> <p>Search on “1099-MISC” Box 7 and “self employed”</p> <p>IRS Form 1040 (Schedule SE)</p> <p>IRS instructions for Schedule SE – Self Employment Tax</p> <p>IRS Form 1040 (Schedule C)</p> <p>Schedule C Instructions</p> <p>IRS and Social Media</p> <p>IRS You Tube Video Channel</p> <p>NYS Taxation and Finance</p> <p>IRS Publication 17 – Your Federal</p> |

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| | <p>IRS 1040-ES and NYS Estimated Tax for Individuals.</p> <p>Note on Social Security (SS) and Medicare taxes – Independent contractor payments are services. Generally self employed also are required to pay their governmental SS and Medicare tax and matching employment portions. This tax is calculated within the independent contractors self employment schedule of their individual income tax return. See links to IRS Form 1040 (Schedule SE) in the next columns.</p> | | <p>Income Tax</p> <p>Call 1 800 829-4477 for the IRS TeleTax and listen to # 762 Independent Contractor vs. Employee # 103 Tax help for small businesses and self employed #554 Self-employment tax IRS Publication 1779 Employee or Independent Contractor</p> <p>SS-8 Determination of Worker Status for Purpose of Federal Employment Taxes and Income Tax Status</p> <p>Need a copy of your 1099-MISC form? Visit the campus RF office your payments originated from to assist in your inquiry and acquire a “Request for Copy of Tax Statement” form</p> <p>Have a question about your payments? Contact the campus office that handled your RF activity. If you leave a voice message, ensure you clearly spell you last name and leave contact information.</p> |