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# 1099 Reporting for the Transportation Industry

INTERNAL REVENUE SERVICE, TAX, TRANSPORTATION & LOGISTICS

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Every January here at Schneider Downs, we receive many questions from our clients related to the requirement to send or receive the Form 1099-MISC. In general, any payment for services by a non-employee that is \$600 or more should be reported on a Form 1099-MISC. Generally, the form is not required if the payments are made to a corporation (or a LLC that has elected to be treated as a S or C corporation) unless the payments are made to attorneys.

There are certain exceptions to the general rule, and one of the exceptions is very important to the transportation industry. Section 1.6041-3 ( c ) of the Income Tax Regulations exempt freight payments from 1099 information reporting. This exception applies to reporting of payments for truck, rail, ship and air freight services.

The follow-up question that we receive is how the Form W-9 should be completed since no Form 1099 reporting is required. The instructions to the Form W-9 do not address this situation. The exemptions that can be listed on the form apply solely to back-up withholding and FATCA (Foreign Account Tax Compliance Act) reporting. One option would be to complete the Form W-9, but to add the following statement to the top of the form: Exempt from Form 1099 Information Reporting by Reg. 1.6041-3 ( c ).

If you have questions on this or any other tax matters please [contact us](#).

## You've heard our thoughts... We'd like to hear yours

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