

### **Internal Revenue Service Form 1099**

A Form 1099 Information Return is used to report certain payments to individuals, sole proprietors and certain business entities. The State of New Hampshire, Department of Administrative Services, generally reports payments on Forms 1099-G, 1099-NEC and 1099-MISC, depending upon the nature of the payment. The Form 1099-G is utilized to report grant payments of \$600 or more, as state and local grants are ordinarily taxable for federal income purposes, unless specifically excluded by the IRS. The Information Return is required to be filed with the IRS, however, the State of New Hampshire advises individuals to seek advice from a tax adviser to determine if the income received from the State is taxable to the recipient. In certain circumstances, to qualify for a grant payment from the State, the recipient must include documentation of a reimbursable expense incurred by the recipient. However, documentation of a reimbursable expense does not change the classification of the payment as a State grant.

1099 Forms are centrally issued by the Department of Administrative Services - Division of Accounting Services, based on information obtained within the State's financial system. The Division of Accounting Services oversees these information returns in order to maintain compliance with IRS regulations. The types of payments requiring 1099 forms are determined based on guidance issued by the IRS and instructions given to the State of NH during the course of previous audits conducted by the IRS. Any questions on 1099 Forms may be addressed to:

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