

## EXECUTIVE SUMMARY

- ▶ Electronic or Mag-Media Filing Required for Entities filing more than 250 1099s.
- ▶ IRS Discontinuing Mag-Media Dec. 1, 2008.
- ▶ Small businesses pay 67 percent more per employee in annual tax-compliance costs than do companies with more than 500 workers (\$1,304 vs. \$780).

Source: Small Business Administration

- ▶ New IRS proposal to require businesses to file 1099s for entity to which it remits payments of \$600 or more annually, not just contractors, but also other corporations.
- ▶ This change could bring in more than \$7.7 billion over the next 10 years, according to the Treasury Department.