

*Greetings!*

It is time to start gathering information for us to prepare your W-2's, 1099's and/or annual payroll reports for 2021. ***Due to the current filing deadlines, we will need the requested information no later than January 14, 2022.*** The sooner you provide us with all the information requested, the more time we will have to prepare the necessary documents timely and accurately.

PAYROLL

Payroll forms are available on our website. Please fill out and return to us by January 14, 2022 to provide accurate and complete information for us to prepare your W-2's and year-end reports. If we currently process your *entire* payroll this information is not necessary. We will call if clarification is needed. Please let us know if you did NOT pay wages in 2021, as we still need to report that information on payroll reports. If you pay health insurance for yourself, an employee, spouse, or an officer, please provide us with each individual's annual premium amount so we can properly report in accordance with ACA requirements.

***On January 1, 2022 minimum wage will increase from \$8.75 to \$9.20.***

For any new employees or those who wish to change their withholdings, please have them complete a 2021 W-4 and MW-4 and send a copy to us for the file. Federal withholding is a requirement for both business and agricultural employers. In accordance with Montana law, please make sure you are providing each employee a paystub when issuing them a paycheck.

You may download payroll forms from our website [www.hmarcpas.com](http://www.hmarcpas.com).

1099

1099 worksheets are available on our website. Please fill out providing us with the vendor's information and amount paid. 1099's are required on ALL individuals and businesses (including LLC's) that are NOT incorporated (must have INC or Incorporated behind their name), to whom you paid \$600 or more, throughout the year. This includes machine hire, rent, trucking, contract labor, attorney fees and/or other services rendered. Veterinary services/products over \$600 need to be issued a 1099 regardless if they are incorporated or not. Please keep rent payments separate for reporting purposes. Also, include any interest of \$10 or more paid to an individual or a business that is not a financial institution.

If you do not know the vendor's information, a W-9 Form from our website can be mailed to vendors so they can supply you with their accurate information.

EMPLOYEE VS CONTRACTOR

*Every time you hire a subcontractor to do work for you, they need to complete a Form W-9 as well as provide you with a copy of their Independent Contractor's Exemption Certificate (ICEC) or Worker's Compensation coverage certificate.*

If they do not have one of these certificates, then chances are they need to be considered an employee and appropriate taxes need to be withheld from their paycheck. If you were to get audited or the contractor got hurt and the contractor did not have the ICEC or Worker's Comp coverage, you could be liable for injury, compensation, payroll taxes or more.

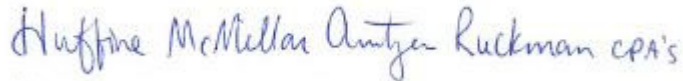
If you have ICEC questions, give us a call and we would be happy to assist.

### **ASSETS PURCHASED AND/OR TRADED IN**

***Under the new tax bill, there are changes to reporting requirements on equipment traded in on purchases. Please provide us with 1) the cost of the asset purchased (machinery, vehicles, livestock, and any business equipment) 2) the date of purchase and 3) if something was traded. A copy of the purchase invoice showing the traded asset and value is needed to accurately record this transaction.***

We encourage you to call to schedule an appointment before you come in to check the availability of your accountant if you need to speak with them, otherwise feel free to drop your information off during office hours.

Sincerely,



Huffine, McMillan, Arntzen & Ruckman, PLLP  
Certified Public Accountants