



DEL CONTE, HYDE, ANNELLO & SCHUCH, P.C.

Certified Public Accountants and Business Advisors

To our clients and friends:

Most of you are probably aware of the many "scams" occurring each day by computer hackers and others. Tax returns and refunds of taxes have not been immune to this deluge of "get rich quick" schemers.

Congress and the Internal Revenue Service have implemented new rules beginning January 1, 2017 in an attempt to verify claimed refunds prior to issuing large checks to taxpayers which could turn out to be fraudulent. Part of this effort is verification of W-2 forms and 1099s issued for non-employee compensation (i.e. to independent contractors).

Unfortunately, some of the responsibilities of implementing these safety measures falls on employers and payers of non-employee compensation. **Effective with W-2 forms and 1099-MISC forms reporting non-employee compensation in 2016, these informational returns will be due to the IRS by January 31, 2017.** Do not expect an automatic extension, as the IRS has informally indicated these may be tough to come by.

We believe this new due date will require an earlier start in gathering information required to prepare the returns mentioned, and therefore we are alerting you to **be certain that all independent contractors, landlords, and other parties requiring receipt of a 1099 form have furnished you a Form W-9.** Failure to obtain Form W-9 results in required withholding from these service providers.

Lastly, please be sure to remind your employees soon after the year of their requirement to review their Form W-4 for the upcoming year for any changes to their federal income tax withholding. State withholding forms should be updated, as well.

Please call us at (860) 676-9020 with any questions you may have regarding these or any other matters.

Thank you.

Bruce M. Del Conte, CPA/ABV/CFF, CVA
Lawrence J. Anello, CPA/PFS, CFP®
Robert C. Lickwar, CPA, MST
William E. Schuch, CPA