

**SUBPART 204.9—TAXPAYER IDENTIFICATION NUMBER INFORMATION**  
(Revised June 21, 2005)

**204.902 General.**

(b) DoD uses DD Form 350, Individual Contracting Action Report, (see 204.670) to meet these reporting requirements.

**204.904 Reporting payment information to the IRS.**

(1) 26 U.S.C. 6041 and 6041A and 26 CFR 1.6041 require Government payors to report to the IRS, on IRS Form 1099, payments of an annual cumulative value of \$600 or more provided to a contractor, except payments for—

- (i) Supplies, unless the supplies are incidental to the furnishing of services;
- (ii) Telegram, telephone, freight, storage, or similar charges;
- (iii) Income that the payor must report on IRS Form W-2 (e.g., payments to employees or payments under contracts for personal services);
- (iv) Any contract with a Federal agency;
- (v) Any contract with a State, the District of Columbia, or an outlying area of the United States; or a political subdivision, agency, or instrumentality of any of the foregoing;
- (vi) Any contract with an organization exempted from taxation by 26 U.S.C. 501(a). Such organizations may include charitable, social welfare, labor, agricultural, veterans', and political organizations; business leagues; social clubs; fraternal societies; and employees' associations. Contracting officers may obtain additional information to assist in determining an organization's tax-exempt status via the Internet at [http://www.irs.ustreas.gov/prod/bus\\_info/eo/eo-types.html](http://www.irs.ustreas.gov/prod/bus_info/eo/eo-types.html);
- (vii) Any contract with a foreign government or a political subdivision of a foreign government;
- (viii) Any contract with an international organization listed in 22 U.S.C. 288;
- (ix) Any classified contract excepted by 26 U.S.C. 6050M. As used in this section only, a contract is classified if—
  - (A) DoD designates the existence of the contract or the contract subject matter as classified (i.e., the contract requires a specific degree of protection against unauthorized disclosure for reasons of national security); or
  - (B) The head of the agency determines that filing IRS Form 1099 would interfere with the effective conduct of a confidential law enforcement or foreign intelligence activity; or
- (x) Such other services as the IRS may specify in regulations.

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(2) Unless an exception in paragraph (1) of this section applies, provide as the last page of the copy of the contract sent to the payment office—

(i) A statement that the contractor is providing services subject to Form 1099 payment information reporting to the IRS, as required by 26 U.S.C. 6041 and 6041A; and

(ii) The contractor's Taxpayer Identification Number and type of organization, if the contract does not include the clause at FAR 52.204-7, Central Contractor Registration.