

SUBPART 204.9—TAXPAYER IDENTIFICATION NUMBER INFORMATION

(Revised November 14, 2003)

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 a possession 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;
- (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.