

## **IRS 1099 Reporting: Thresholds Change in 2026** <sup>[1]</sup>

December 16, 2025

Effective January 1, 2026, the Internal Revenue Service is increasing the general reporting threshold for most payments on Form 1099-NEC (Nonemployee Compensation) and 1099-MISC (Miscellaneous Information), from \$600 to \$2,000.

Subsequently (beginning in 2027), the \$2,000 threshold will be adjusted annually for inflation, which means it may increase slightly each year. We will share updates in future years, as the IRS releases revised amounts.

### **What Does This Mean for CU 1099 Issuance?**

For reportable payments made to non-employees in Calendar Year 2026, the University will issue a 1099-NEC/1099-MISC if the aggregate amount paid is \$2,000 or more during 2026. (For reportable payments made in 2025: The current \$600 reporting threshold remains in place.)

Note! There is no change to the \$10 reporting threshold for certain types of payments, such as royalties.

### **What Does This Mean for Department Reporting?**

*No change: Non-employee payments processed by the Procurement Service Center (PSC) in the Finance System.* These are reported according to the IRS reporting thresholds in effect for the payment year.

*New! CU internal reporting threshold for non-employees:* Departments report various items distributed to non-employees (e.g., gift cards/other cash-like, petty cash, and non-cash/tangible) to the PSC, according to CU internal reporting thresholds. These thresholds are changing, in response to the change in IRS reporting thresholds and following some improved business processes.

- **Currently**, departments report non-employee cash-like/petty cash/non-cash distributions **over \$100** using the Recognition Reporting form and submitting it to the PSC.
- **During Calendar Year 2026**, departments will report non-employee cash-like/petty cash/non-cash distributions **over \$700** using the new Payment Reporting form and submitting it to the PSC. (More about the Payment Reporting form in future communications from the PSC.)
- Internal reporting thresholds for **employees** are not changing: Departments report cash-like/gift card distributions to employees in *any dollar amount* using the Recognition Reporting form and submitting it to Employee Services. Departments report non-cash/tangible distributions to employees *over \$100* using the same form/process.

## **Additional Notes and Reminders:**

Payment recipients report taxable income on their own returns even if a 1099 is not issued. Departments must maintain accurate payment records regardless of reporting thresholds.

**Questions?** Contact [FSS@cu.edu](mailto:FSS@cu.edu) [2].

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