

1099-MISC Income

Do I need to register and pay state taxes?

You are likely an independent contractor if you performed work for a business, individual, or any other organization **and** you received a Form 1099-MISC for your work. As an independent contractor, you are engaged in business in Washington.

You must register with and pay taxes to the Department of Revenue (DOR) if you meet **any** of the following:

- You are required to collect sales tax.
- Your gross income equals \$12,000 or more per year.
- You are required to pay other taxes or fees to DOR.
- You are required to get a city license.

What taxes do I owe?

Business and occupation (B&O) tax: Most businesses owe B&O tax on their gross income. The B&O tax rate is based on the business activity. Some classifications have more than one tax rate based on the business's annual gross income.

You may qualify for the small business B&O tax credit if your annual B&O tax liability is less than \$3,840.

Retail sales tax: Generally, you must collect and report retail sales tax on sales of tangible goods, digital products, and certain retail services.

How do I register?

The easiest and fastest way to register is online. You may also register by mail, or in person at one of our field offices.

How do I file my tax return?

File your tax return online. Instructions can be found on our website.