

The 1099 Tax Survival Kit (2026–2027)

From Solo Paycheck: money basics for freelancers, 1099 contractors, side hustlers and one-person LLCs.

Not tax advice. This kit is general education only. It is not tax, legal or financial advice. Tax rules have limits, exceptions and state-level differences, and they change. Check with a qualified tax professional about your own situation. Facts were checked against [irs.gov](https://www.irs.gov) on October 23, 2026.

Part 1: The basics in 60 seconds

- **You're a business now.** If you earn 1099 or self-employment income, you generally report it on **Schedule C**. You figure self-employment tax on **Schedule SE**. Both get filed with your Form 1040. ([IRS: Self-employed individuals tax center](#))
- **Self-employment (SE) tax is 15.3%.** That's 12.4% Social Security plus 2.9% Medicare, figured on 92.35% of your net earnings. You generally owe it once net SE earnings reach **\$400**. For 2026, the Social Security part applies only up to **\$184,500** of combined wages and SE earnings. You can deduct **half of your SE tax** when figuring income tax. ([IRS: Self-employment tax](#))
- **Taxes are pay-as-you-go.** If you expect to owe **\$1,000 or more** when you file, you generally need to make **quarterly estimated payments** using Form 1040-ES. ([IRS: Estimated taxes](#))
- **Safe harbor.** You generally avoid the underpayment penalty if your withholding plus estimates cover the smaller of:
 - **90%** of this year's tax, or
 - **100%** of last year's tax (if last year was a full 12-month tax year). That becomes **110%** if last year's AGI was over **\$150,000** (\$75,000 if married filing separately).([IRS Pub 505](#))
- **You owe tax on income whether or not you get a 1099.** The 1099 is just a report. Your income is what you actually earned.

Part 2: What's new for 1099 forms

Form	Who sends it	2026 reporting threshold
1099-NEC	Clients who paid you for services	\$2,000 or more in a year. It was \$600 before. The change applies to payments made after Dec 31, 2025. (IRS)
1099-K	Payment apps and marketplaces (PayPal, Venmo for business, Etsy, Stripe and similar)	More than \$20,000 and more than 200 transactions in a year. The One Big Beautiful Bill set the threshold back to this level. (IRS)

Higher thresholds mean **fewer forms, not less tax**. If you're under the threshold you may get no form at all, and you still have to report every dollar. Keep your own income log.

If you hire contractors: the same \$2,000 1099-NEC threshold applies to *you* when you pay them.

Part 3: Deadline calendar

Dates follow the IRS rule that a deadline falling on a weekend or legal holiday moves to the next business day. Check [IRS.gov](https://www.irs.gov) or the current Form 1040-ES each year.

Rest of 2026

Date	What's due
Thu, Dec 31, 2026	Last day to <i>spend</i> on 2026 business expenses. It's also the safest target for setting up a Solo 401(k) for 2026. Under newer rules, a sole proprietor may be able to set one up as late as the filing deadline, so ask your provider.

2027

Date	What's due
Fri, Jan 15, 2027	Q4 2026 estimated payment (Form 1040-ES), for income from Sep 1 to Dec 31, 2026
Mon, Feb 1, 2027	1099-NEC due to recipients <i>and</i> the IRS. The usual Jan 31 date falls on a Sunday. 1099-K and 1099-MISC copies are also due to recipients. Watch your mailbox and inbox.
Mon, Mar 1, 2027	Paper 1099-MISC and 1099-K filings to the IRS. E-filed returns are due Wed, Mar 31, 2027 .
Mon, Mar 15, 2027	Partnership (1065) and S corp (1120-S) returns are due. It's also the usual deadline for a Form 2553 S corp election to take effect for 2027.
Thu, Apr 15, 2027	2026 Form 1040 (with Schedule C and SE) and any tax owed. Q1 2027 estimated payment . Last day to file Form 4868 for an automatic extension to Oct 15. Last day for 2026 IRA and HSA contributions. It's also the SEP-IRA deadline if you don't extend.
Tue, Jun 15, 2027	Q2 2027 estimated payment (Apr 1 to May 31 income)
Wed, Sep 15, 2027	Q3 2027 estimated payment (Jun 1 to Aug 31 income). Also the extended deadline for 1065 and 1120-S returns.
Fri, Oct 15, 2027	Extended 2026 Form 1040 is due. Last day to fund a SEP-IRA for 2026 <i>if you extended</i> .
Fri, Dec 31, 2027	Year-end deadline for 2027 expenses and Solo 401(k) setup
Tue, Jan 18, 2028	Q4 2027 estimated payment . Jan 15 is a Saturday and Jan 17 is Martin Luther King Jr. Day, so it moves to Tuesday.

An extension gives you more time to file, not more time to pay. Estimate your tax and pay it by April 15, or you'll owe interest and possibly penalties.

Already passed in 2026: Apr 15, Jun 15 and Sep 15 (the first three 2026 estimates) and Oct 15 (extended 2025 returns). If you missed one, the usual move is to pay as soon as you can. The penalty is roughly interest, and it keeps growing until you pay.

How to pay: use IRS Direct Pay, EFTPS, or your IRS Online Account at irs.gov/payments. Each one is free.

Part 4: The write-off checklist

The rule: a deductible business expense has to be **ordinary and necessary** for your work. If something is part business and part personal, you deduct only the business share. ([IRS: Deducting business expenses](#))

On your Schedule C:

- ☐ **Home office.** The space has to be used *regularly and exclusively* for business.
 - **Simplified method:** \$5 per sq ft, up to 300 sq ft, for a maximum of **\$1,500**.
 - **Regular method:** actual expenses times your business-use %, on Form 8829.

([IRS: Simplified home office](#))

- ☐ **Business mileage.**
 - **2026 rates:** **72.5¢/mile** from Jan 1 to Jun 30, and **76¢/mile** from Jul 1 to Dec 31, 2026.
 - **Tolls and parking** go on top.
 - **Commuting** to a regular workplace doesn't count.
 - **Keep a log** of date, miles and purpose.

([IRS: Standard mileage rates](#))

- ☐ **Phone and internet,** business-use % only. Write down how you estimated it.
- ☐ **Software and subscriptions:** accounting, design, scheduling, cloud storage, AI tools and your website or domain
- ☐ **Equipment:** laptop, camera, tools and a desk. Many purchases can be expensed in the year you buy them.
- ☐ **Supplies, postage and shipping**
- ☐ **Payment processing and platform fees.** Report **gross** income, then deduct the fees. Don't just report the net deposit.
- ☐ **Advertising and marketing:** ads, business cards, a newsletter tool and sponsorships
- ☐ **Professional services:** a CPA, a bookkeeper, legal help with contracts, and the business share of tax software
- ☐ **Education** that maintains or improves skills in your *current* business
- ☐ **Business insurance:** liability or E&O
- ☐ **Contract labor** you paid. Remember the \$2,000 1099-NEC rule.
- ☐ **Business travel:** lodging and transportation away from your tax home. Business meals are generally **50%** deductible.
- ☐ **Startup costs:** up to **\$5,000** deductible in your first year, reduced dollar-for-dollar once total startup costs pass \$50,000. The rest is amortized over 15 years.
- ☐ **Business bank fees and interest** on business debt

On your Form 1040, not Schedule C:

- ☐ **Half of your SE tax** (Schedule 1)
- ☐ **Self-employed health insurance** for you, your spouse and dependents. You can't take it for any month you were eligible for an employer-subsidized plan, including a spouse's. The deduction is capped at your net SE profit. ([Form 7206](#))
- ☐ **Retirement contributions for one.** 2026 limits come from [IRS Notice 2025-67](#).
 - **Solo 401(k):**
 - Up to **\$24,500** in employee deferrals.
 - Catch-up of **+\$8,000** at age 50+, or **+\$11,250** at ages 60–63.
 - Plus an employer profit-sharing contribution, up to **\$72,000** combined, not counting catch-ups.
 - **SEP-IRA:** up to 25% of compensation, max **\$72,000**. For self-employed people that works out to roughly **20% of net profit** after adjustments. ([IRS: SEP limits](#))
- ☐ **QBI deduction.** Many sole proprietors and LLC owners can deduct up to **20% of qualified business income**, subject to income limits and rules for certain service businesses. ([IRS: QBI deduction](#))
- ☐ **HSA contributions**, if you have a qualifying high-deductible health plan

Usually NOT deductible: your own draws or "salary" as a sole proprietor, everyday clothing, commuting, 100% of a phone you also use personally, and personal meals.

Part 5: The 15-minute weekly routine

1. **Separate the money.** Use one business checking account and one card. It's free at many banks.
2. **Set aside 25–30%** of every payment in a "tax" savings bucket. That's a rule of thumb, not a calculation. Your actual rate depends on your income, deductions and state.
3. **Log miles and receipts** each week. Snap a photo and you're done.
4. **Check the calendar above** each quarter, and pay what you owe on time.
5. **Keep records for at least 3 years** after you file. ([IRS: How long should I keep records?](#))

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