

# Taxable vs. Non-Taxable Payments

For 1099 reporting purposes and ClinCard Tax Management Functionality (for those enrolled), the ClinCard portal determines each payment made to be either 'taxable' or 'non-taxable'. It is important for each user to understand the difference regarding the payment types to ensure proper 1099 reporting and tax withholding.

## Why is the difference important?

It is important to be vigilant when submitting a payment in ClinCard, to make sure that the payment type being submitted is accurate. This is important for two reasons:

1. A 1099-MISC form is required to be sent to any participant who has exceeded \$600 in taxable income during a clinical trial. It is important to ensure a participant is not being taxed on a payment that should not be considered 'income'. (i.e., mileage reimbursements/ reimbursements with receipts).
2. For any program utilizing Tax Management Withholding within ClinCard, you will want to ensure that money is not being withheld from a participant when it is not applicable. (i.e., mileage reimbursements/ reimbursements with receipts).

## What is considered Taxable?

A payment will fall within the **'taxable'** category if it meets any of the following criteria:

- o It is a 'Milestone Payment'
- o It is a 'Miscellaneous Payment'
- o It is an 'Other Reimbursement' **WITHOUT** a receipt. If a receipt is received but unable to be uploaded, the box 'Receipt received but unable to be uploaded' should be checked to prevent the reimbursement from being recognized as taxable income.

**Please note:** When uploading a receipt, be sure to remove any information that may identify study participants.

Amount\*

 USD

Notes\*

Upload receipt

**UPLOAD**

Accepted file types are **pdf, jpg, or png**. Uploaded files should not contain information which would reveal subject identity if viewed by other users of the system.

Receipt received but unable to be uploaded

ADD REQUEST

CANCEL

## What is considered Non-Taxable?

- A payment will fall within the **'non-taxable'** category if it meets any of the following criteria:
- It is a 'Drive/Mileage' Reimbursement
- It is an 'Other Reimbursement' **WITH** a receipt **or 'Receipt received but unable to be uploaded' box is checked.**
- **NOTE:** If this box is not checked, the reimbursement will be deemed as taxable income.