

1099 FAQ's

Q: When will the IRS Form 1099 and IRS Form 1042S be sent?

A: IRS Form 1099 will be mailed at the end of January every year. Foreign owners will be mailed their IRS Form 1042S in March every year.

Q: Why did I not receive an IRS Form 1099?

A: IRS **Form 1099 MISC** is used to report production payments only for gross earnings greater than \$10.00. If you received less than \$10.00 in gross earnings, you would not receive an IRS Form 1099 unless you live in a state where there is a state withholding tax or if you had federal withholding tax withheld from your payment. IRS **Form 1099 NEC** is used to report production payments only for gross earnings greater than \$600.00.

Q: Why did I receive two IRS Form 1099s?

A: Previously non-employee compensation (working interest payments) was reported in Box 7 of Form 1099 MISC. Beginning in 2020 the IRS requires non-employee compensation to be reported separately on Form 1099 NEC. If you have a working interest and a royalty interest you will receive Form 1099 MISC and Form 1099 NEC.

Q: What if the reportable income on my IRS Form 1099 does not match the total of the checks I have received?

A: IRS Form 1099 includes the gross amount of payments SM Energy Company has made to you. Reportable deductions taken from your gross revenue payments, such as joint interest billing expenses, do not reduce the gross reportable income issued to you. Also, any difference could be due to a missing check, possibly lost in the mail. In this case, please notify SM Energy at 303-839-3321 or email us at 1099line@sm-energy.com. If SM Energy determines you are missing a check, the missing check will be voided and included in your next payment. Direct Deposit is available upon request.

Q: May I have an additional copy of my IRS Form 1099?

A: Yes. To have a duplicate IRS Form 1099 sent to you or another party, SM Energy will need the following items:

- The interest owner's written request or written authorization.
- If the IRS Form 1099 is going to a third party, include name, address, fax number and/or email address.

Q: What if the interest type, address, name and/or tax identification number listed on the IRS Form 1099 is incorrect? Can it be corrected?

A: Yes. Contact SM Energy's IRS Form 1099 hotline at 303-839-3321 or email us at 1099line@sm-energy.com.

Q: How should I report certain income/expenses on my tax return?

A: SM Energy Company is unable to provide tax advice. Please contact your tax advisor for questions concerning your tax return.