

IRS Form 1099 – FAQ

Q. How are amounts reported on Forms 1099 determined?

A. Amounts reported on Forms 1099 include all checks issued to owners during the prior calendar year. Other owner information reflected on the 1099 (owner name, SSN, address, etc.) is based on the information known to CRC at the time Forms 1099 are generated. Checks issued and subsequently voided during the same year will not be counted.

Q. How are prior year missing and/or voided checks handled on Form 1099?

A. IRS requires that all payments made in the calendar year be included on Form 1099. Forms will not be restated due to missing and voided checks, which were voided and reissued in subsequent year(s) based on owners' requests. Forms 1099 sent out and submitted for prior calendar years will not be restated and resubmitted to the IRS unless restatements relate to an CRC internal error.

Q. When are Forms 1099 mailed to owners?

A. The CRC Owner Services group mails Form 1099 to owners on or prior to January 31st, as required by the IRS. Owners can also obtain their Form 1099 through website www.crcroyalty.com.

Q. When are Forms 1099 submitted to the IRS by CRC?

A. The CRC Owner Services group submits Forms 1099 to the IRS on or before March 31st.

Q. Whom should I contact if the amount on the Form 1099 does not agree to my records or if other information is not accurate?

A. Send an email inquiry to CRC Owner Services group through the website www.crcroyalty.com or call (855) 272-5519.

Q. Do I have to use the amount reported on the Form 1099 when I prepare my tax return?

A. The 1099 Form reflects information on file with the CRC Owner Services group at the time the form was prepared. If ownership and/or other changes were not communicated to the CRC Owner Services group, you may have to make adjustments on your tax return to report accurate information. Consult with your tax advisor.

Q. Why do I have income reported in Box 7 on the Form 1099?

A. Per IRS regulations, Box 7 includes monies received for oil and gas payments if you are a working interest owner.

Q. How are ownership changes handled on the Form 1099?

A. Ownership changes communicated to CRC Owner Services will be made prospectively and any Forms 1099 already submitted to the IRS will not be restated. However, if ownership changes were communicated to the Owner Services during the Adjustment Period (February 1 – March 31) and checks were not cashed – Owner Services may void and reissue checks to correct owners and restate the Form 1099, if possible, based on the number of such late requests and the amount of time left before deadline for submitting the Form 1099 to the IRS.