

CA Independent Contractor Reporting Law

Any person or business that is required to issue form 1099-Misc. at the end of the year, must comply with the California Independent Contractor Reporting Law. The law mandates that if you hire an independent contractor (freelancer) in the course of your business, you must report that information to The California Employment Development Department (EDD).

The reporting must be done within **twenty days** of the EARLIER of the following events:

- a** Making a payment totaling \$600 or more
- b** Entering into a contract totaling \$600 or more

The reporting must be done on form DE 542 which can be obtained from EDD. Phone **916.657.0529** or go to their web site at **www.edd.ca.gov**