



Heirloom Software

Consign It

Point of sale for consignment shops, antique malls, and vendor malls

Taxes Guide

Sales tax, the vendors' 1099s, payroll, and expenses -
what Consign It does for you,
and how to do each one, step by step.

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CHAPTER 1

About this guide

Consign It - Taxes Guide

This guide puts everything about taxes in one place: what Consign It keeps track of for you, what each tax form is for, and step-by-step how-tos for the sales tax, the vendors' 1099s, and payroll. Each how-to says exactly which screen to use.

Please note: Consign It and this guide aren't tax advice. They make the paperwork easier, but you (or your CPA) decide what to file. When this guide says "ask your CPA," it means the answer depends on your own business.

Using a CPA for all of it, or not in the United States? Turn the U.S. tax forms off - see **Turning the tax forms off** at the end.

The tax calendar (tax year 2026)

When	What	Where in Consign It
Every month (or quarter)	Sales tax return to your state. In Kentucky it's usually due the 20th of the next month - your state's letter says how often you file.	REPORTS > REPORT LIBRARY > Monthly Sales Tax Report
Every quarter	Payroll taxes: Form 941 (federal) and your state's withholding return - only if you have employees	File and Pay It > Payroll (the totals)
February 1, 2027	1099s to vendors , and the 1099-NEC to the IRS	File and Pay It > Yearly Forms > 1099, and TAX FORMS > Send 1099s to the IRS
February 1, 2027	W-2s to employees and the Social Security Administration; Form 940	File and Pay It > Yearly Forms > W-2, and Employee Documents
March 31, 2027	1099-MISC to the IRS when e-filed	TAX FORMS > Send 1099s to the IRS
March 15, 2027	S corporation and partnership returns (Form 1120-S, 1065)	Your CPA or tax program
April 15, 2027	Personal returns (Form 1040, with Schedule C for a sole proprietor), and Kentucky's 720S and 740	Your CPA or tax program

(January 31, 2027 is a Sunday, so the January 31 deadlines move to Monday, February 1.)

CHAPTER 2

Sales tax

Consign It adds the sales tax at the register and keeps a day-by-day record of it all year - even after the detailed sales are cleared out at 90 days.

How to set your sales tax rates (once):**1**

Click **SETTINGS** at the top of the screen.

2

Fill in your **state**, **county**, and **local** sales tax rates. They're added together at checkout.

How to do the monthly sales tax return:**1**

Click **REPORTS > REPORT LIBRARY > Monthly Sales Tax Report**, and pick last month.

2

It shows the month's total sales, taxable sales, tax-exempt sales, resale sales, the tax collected, and the state, county, and local shares - plus every day of the month.

3

Type those totals into your state's sales tax return on its website, and keep the printed report with your records.

Resellers (tax-exempt resale): a customer buying to resell can be rung up without sales tax when they're set up as a reseller (the  people icon, Resellers) with their resale certificate on file. Those sales show up as **resale sales** on the report.

CHAPTER 3

Vendors and their 1099s

A **1099** tells the IRS how much the store paid a vendor in a year. Each vendor paid enough gets one copy, and the IRS gets one.

How much makes a vendor need a 1099?

Tax year	A vendor gets a 1099 when paid
2025 and earlier	\$600 or more
2026	\$2,000 or more (the 2025 tax law raised it)
2027 on	\$2,000, raised each year for inflation - the IRS announces it

Consign It uses the right amount for whatever tax year you pick. It counts the vendor's **payout checks dated in that year**, plus the **Manual Sales to Date** figure on their vendor record. (Make sure Manual Sales to Date is only money paid in that year.)

1099-NEC or 1099-MISC?

- **1099-NEC, Box 1** - pay for work or services.
- **1099-MISC, Box 3** - other income. This is what Consign It's IRS file starts on.

Money paid to consignors for goods they sold isn't always reported the same way, so **ask your CPA which one fits your store** - and then use the same one every year.

Before the year starts: a W-9 from every vendor

The W-9 is how a vendor gives you their legal name, address, and SSN or EIN. Without it the 1099 can't be done right.

1

When a vendor signs up, use the **Vendor Contract** (it saves their tax classification and SSN or EIN), or open **REPORTS > VENDOR DOCUMENTS**, pick the vendor, and click **Fill Out & Print W-9**.

2

Have them check it, sign it, and give it back.

3

Scan or photograph the signed W-9 and click **Add Signed W-9...** to keep it in their file.

TIP

Consign It won't print a vendor's payout check without a full 9-digit SSN or EIN on their record - so you find out early, not in January.

A vendor who won't give you a tax ID: the IRS's rule is "backup withholding" - 24% of their pay held back and sent to the IRS. Ask your CPA before doing that.

How to make the vendors' 1099s (every January)

1

Click  **File and Pay It** (admin password) > **YEARLY FORMS** > **1099**.

2

Type the **tax year** (like 2026) and click **Generate 1099s**.

3

Consign It makes one for every vendor paid the year's minimum or more, with a line for them to sign that they got it. It puts a copy in each vendor's own file (REPORTS > VENDOR DOCUMENTS).

4

Give each vendor their copy by **February 1, 2027**.

How to e-file the 1099s with the IRS (IRIS)

The IRS requires e-filing when the store files **10 or more 1099s and W-2s in a year, counted together**. Its e-file website, **IRIS**, is free.

Once, in the fall (the IRS can take up to 45 business days):

1

Click  **File and Pay It** > **TAX FORMS** > **Apply to E-File with the IRS...**

2

Read what the application asks for, and click **Yes** to open it.

3

Pick the **Issuer** role and the **Taxpayer Portal**. Each Responsible Official and Contact signs in with their own IRS online account.

4

When the IRS emails your **TCC** (5 letters and numbers), type it into **Your IRIS TCC** on the TAX FORMS tab and click **Save**.

Every January:

- 1 Click **TAX FORMS > Send 1099s to the IRS...**
- 2 Pick the **tax year** and **1099-MISC** or **1099-NEC**.
- 3 It checks every vendor and lists anything missing - fix those on the Vendors screen (or the EIN and address in Business Info).
- 4 Click **Open the IRIS Taxpayer Portal**, sign in, click **Upload CSV with Form Data**, pick the form, and click **Download** (the IRS's blank template).
- 5 Back in Consign It, click **Fill In the IRS Template...** and pick that file.
- 6 Upload the filled-in file in the portal, fix anything it flags, submit, and keep the confirmation.

IRIS: <https://www.irs.gov/filing/e-file-information-returns-with-iris>

CHAPTER 4

Employees and payroll

If the store has employees, Consign It does the paperwork for hiring them, the weekly withholding, and the W-2s.

How to hire someone (the forms):

- 1 Open the  **Employee Files** icon > **EMPLOYEE DOCUMENTS** and pick the employee.
- 2 Print the **W-4** (federal withholding), your state's withholding form (Kentucky's **K-4**), and the **I-9** (proof they can work). Consign It fills in what it already knows.
- 3 Copy their W-4 choices onto their record: **Federal Filing Status**, **Dependents Amount**, and **Extra Withholding**.

Every week: File and Pay It > PAYROLL (WEEKLY) takes out federal income tax, Social Security (6.2%), Medicare (1.45%), state income tax, and up to three local taxes, and lists each one on the check.

Every quarter - Consign It doesn't file these for you:

- **Form 941** - the federal income tax, Social Security, and Medicare taken out, plus the store's own matching share of Social Security and Medicare.
- Your **state's withholding return** (Kentucky: the Department of Revenue).
- Deposit the taxes on time (the IRS uses EFTPS: <https://www.eftps.gov>).

Every January - the W-2s:

- 1 **File and Pay It > YEARLY FORMS > W-2** makes each employee's year-end summary.
- 2 **Employee Files > EMPLOYEE DOCUMENTS** fills in the IRS's own W-2 from their payroll checks.
- 3 Give employees their W-2 by **February 1, 2027**, and e-file them with the Social Security Administration (free, at Business Services Online: <https://www.ssa.gov/bso>).
- 4 File **Form 940** (federal unemployment tax) by February 1, 2027.

Please have your CPA or a payroll service check the payroll numbers - especially for anyone who earns a lot. Consign It uses the IRS's standard withholding tables, but it doesn't track year-to-date limits.

CHAPTER 5

Expenses (what the store spends)

Every check Consign It writes is recorded on the **Checks Ledger** spreadsheet automatically, sorted the way your CPA needs it at tax time.

How to record an expense:

1

File and Pay It > WRITE A CHECK (OTHER) - fill in who it's to, the amount, and a memo.

2

Check the PDF and approve it.

3

Pick its category: Supplies, Rent, Insurance, Taxes, Electric, Phone, Water/Sewer/Garbage, Payroll, Alarm, Software Fees, Admin Fees, or Misc.

How to keep the receipts:

1

Business Info (📄) > 📊 **Spreadsheets** > pick the category's sheet.

2

Import Receipt for This Category... and pick the scanned or photographed receipt.

IMPORTANT

Expenses paid by card or bank transfer don't go through Consign It's checks. Keep those receipts too, and give your CPA the bank and card statements.

For your CPA at year end:

- **Print This Sheet** for each Checks Ledger sheet (Cost of Goods Sold = vendor payouts, Payroll, and each expense category).
- The **QuickBooks Export** report (REPORTS > REPORT LIBRARY), if your CPA uses QuickBooks.
- The 12 **Monthly Sales Tax Reports**.

CHAPTER 6

Year-end checklist

- Every vendor has a signed W-9 and a full SSN or EIN on their record.
- Every vendor's address is current.
- **Manual Sales to Date** figures are only that year's money.
- Applied for the IRIS TCC (in the fall - it takes up to 45 business days).
- 1099s made and given to vendors by February 1.
- 1099s e-filed in IRIS (1099-NEC by February 1; 1099-MISC by March 31).
- W-2s to employees and SSA, and Form 940, by February 1 (if you have employees).
- Fourth-quarter Form 941 and the state withholding return (if you have employees).
- December's sales tax return.
- The Checks Ledger sheets, QuickBooks Export, and sales tax reports to your CPA.
- **Download the new tax forms for the current year** (File and Pay It > TAX FORMS).

CHAPTER 7

Turning the tax forms off

For a store outside the United States, or one whose CPA does all the tax paperwork: **SETTINGS > Tax Forms**, or the **Not Required to Complete U.S. Tax Forms** box (on Employee Files, or at the bottom of File and Pay It > TAX FORMS). It turns off the 1099s, W-2s, W-4s, W-9s, I-9s, and state forms everywhere in Consign It. Uncheck it to turn them back on.

CHAPTER 8

Coming from Heirloom Software: Heirloom Tax

Heirloom Tax is a separate program being built by Heirloom Software. It works from your Consign It records:

- It checks the vendors' 1099s for errors and lets you fix them.
- It emails each vendor their 1099, locked with a password (for vendors who agree to get it by email).
- It fills in the business's tax returns from plain questions you answer.

You can file yourself, or have Heirloom Software do it for you as a paid service. Ask Heirloom Software when it will be ready.

CHAPTER 9

Helpful links

- IRS forms and instructions: <https://www.irs.gov/forms-instructions>
- IRIS (e-file 1099s): <https://www.irs.gov/filing/e-file-information-returns-with-iris>
- Apply for the IRIS TCC: <https://www.irs.gov/tax-professionals/iris-application-for-tcc>
- Social Security's W-2 e-filing (BSO): <https://www.ssa.gov/bso>
- EFTPS (paying federal payroll taxes): <https://www.eftps.gov>
- Kentucky Department of Revenue: <https://revenue.ky.gov>

CHAPTER 10

Words used in this guide

Word	What it means
1099	The form that reports what a business paid a vendor (not an employee) in a year.
W-9	The form a vendor fills out to give you their legal name and SSN or EIN.
W-2	The form that reports an employee's year of pay and the taxes taken out.
W-4	The form an employee fills out to say how much federal tax to take out of their pay.
EIN	Employer Identification Number - a business's 9-digit tax ID from the IRS.
SSN	Social Security Number - a person's 9-digit tax ID.
TIN	Taxpayer Identification Number - either an SSN or an EIN.
IRIS	The IRS's free website for e-filing 1099s.
TCC	Transmitter Control Code - the 5-character code the IRS gives you to use IRIS.
Form 941	The quarterly federal payroll tax return.
Form 940	The yearly federal unemployment tax return.
Backup withholding	Holding back 24% of a vendor's pay for the IRS when they won't give a tax ID.