ARC & LEDGER

§ FIRST 1099 · CALIFORNIA CLINICIANS

Your first 1099 as a California clinician

For physicians, NPs, PAs and CRNAs paid as independent contractors · Current as of November 17, 2026

On a 1099 nobody withholds tax for you. You pay federal and California income tax through estimated payments, plus self-employment tax of 15.3% on 92.35% of net earnings up to the Social Security wage base ($184,500 in 2026).

Your first 30 days

1. **Return the W-9.** Return the Form W-9 the payer sends. As a sole proprietor you can give your Social Security number or an employer identification number (EIN), which the IRS issues free online.
2. **Separate the money.** Open a separate account for clinical income and expenses. It makes estimates and records simpler.
3. **Set aside from every payment.** Set money aside from every payment. The W-2 + 1099 set-aside calculator sizes it, federal and California.
4. **Find last year's tax.** Find last year's total tax on your return. That number, not this year's income, sets the federal amount that generally avoids a penalty: 100% of it, or 110% if last year's AGI was over $150,000.
5. **Mark the payment dates.** Put the payment dates below on your calendar. Pay federal estimates through your IRS Online Account or IRS Direct Pay; EFTPS no longer takes payments from individuals. California payments go through FTB Web Pay.
6. **Keep the records.** Keep your contract, every Form 1099-NEC and your receipts. Payers file a 1099-NEC once they pay you $2,000 or more in 2026, but all of the income is taxable whether or not a form arrives.
7. **Replace employer coverage.** Replace what an employer used to provide: health insurance, a retirement plan and disability coverage. California State Disability Insurance does not cover self-employment income unless you elect Disability Insurance Elective Coverage through EDD.
8. **Check the contract.** Read your contract against how you actually work. Status depends on the facts, not on the form you receive. If it is unclear, an employment attorney can review the arrangement.

Payment dates

DUE	FEDERAL (IRS)	CALIFORNIA (FTB)
January 15, 2027	Fourth 2026 estimated payment Applies if your 1099 work started in 2026.	Fourth 2026 payment (30%)
April 15, 2027	2026 return due; first 2027 estimated payment Also the last day for first-year employee deferrals to a solo 401(k) a sole proprietor opens after year-end.	2026 return due; payment 1 (30%)
June 15, 2027	Second 2027 estimated payment	Payment 2 (40%)
September 15, 2027	Third 2027 estimated payment	Payment 3 (0%)
January 18, 2028	Fourth 2027 estimated payment	Payment 4 (30%)

> California does not allow an LLC for licensed clinical work. Most clinicians start as sole proprietors; a professional corporation formed by an attorney is a later option. A Form 1099 reports payments. Whether you are an independent contractor depends on the facts of the work.

Figures for this year and next, the setup options and sources: **arcandledger.com/medical-professionals/**

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