
Subcontractors

Revenue Rulings and Procedures

SUBCONTRACTOR OR EMPLOYEE

Revenue Rulings

[Revenue Ruling 56-155, 1956-1 CB 478](#)

An experienced floor layer, who provided his own tools, was an employee of the corporation where the corporation furnished all materials, made frequent inspections of the work and carried workmen's compensation insurance on the worker.

[Revenue Ruling 70-618, 1970-2 CB 227](#)

An individual and persons he engages to assist him in constructing houses pursuant to a contract with a construction company that retains the right to direct and control their services are employees of the company.

[Revenue Ruling 72-467, 1972-2 CB 539](#)

A truck driver performing services for a company under a contract referring to him as an independent contractor, but who is subject to the direction and control of the company, is an employee of the company for employment tax purposes.

[Revenue Ruling 73-576, 1973-2 CB 336](#)

A construction worker, engaged by a county to repair drainage ditches under the direction and control of the county surveyor, who uses his own mechanical backhoe for which he is paid a specified amount in addition to his hourly wages, is an employee of the county.

[Revenue Ruling 75-15, 1975-1 CB 317](#)

Individuals who orally contract with a water well boring company operator to pack, grout, and seal operator-bored

wells, providing all materials, tools, and equipment, establishing their own work schedules and routines, and reporting only the job completion to the operator are not the operator's employees for the purposes of the FICA, FUTA, and income tax withholding but are engaged in a trade or business.

APPLICATION OF SECTION 530 RELIEF PROVISIONS

Revenue Rulings

[Revenue Ruling 81-224, 1981-2 CB 197](#)

A taxpayer did not treat certain individuals as employees on its Form 941, Employer's Quarterly Federal Tax Return, and did not file timely Forms 1099-NEC, Statement for Recipients of Nonemployee Compensation. Upon audit and after the deadline for filing Forms 1099-NEC, the taxpayer filed them. The taxpayer was not entitled to relief under section 530 of the Revenue Act of 1978.

Revenue Procedures

[Revenue Procedure 85-18, 1985-1 CB 518](#)

The purpose of this revenue procedure is to give instructions for the application of Section 530 relating to the employment tax status of independent contractors and employees.