

January 28, 2011

## ALERT TO ALL LANDLORDS: *New Rental Property Paperwork*



Congress has passed a new provision effective January 1, 2011 that will require all taxpayers owning rental properties to issue a Form 1099 to any unincorporated service provider (electrician, lawn maintenance provider, painter, plumber, etc.) that they pay \$600 or more to in a year. The 1099's and Form 1096 for 2011 will have to be filed with the IRS by February 28, 2012 with individual 1099's mailed separately to each vendor by January 31, 2012.

We strongly recommend you obtain a [Form W-9](#) (Request for Taxpayer, Identification Number and Certification) prior to making any 2011 payments to a vendor that is not incorporated. You should then keep a running total of vendor payments manually or with your accounting software to complete the 1099's at year end.

The extra benefit of this new law to you will be an increased substantiation of the deductions you can claim on your tax return.

###

We hope this information is helpful. If you would like more details, please contact a Kerkering Barberio professional tax advisor at 941-365-4617.

If you need a form W-9, go back to our Home Page at [www.kbgrp.com](http://www.kbgrp.com) and find it under Current Insights or you can Google "W-9" and select the IRS.GOV site.

***\*As of April 14, 2011, the requirement that Rental Property Expense Payments be reported on 1099's was repealed.***