

FTA FAMILY TAX ADVANTAGE

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NEWS FLASH

For Real Estate Owners Who Receive Rental Income



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The Small Business Jobs Act, passed in September, created a **new reporting requirement** for individuals who receive income from rental real estate. In January, 2012, they will have to provide **1099s** to any service provider to whom they pay more than \$600 during the year. This means that starting January 1, 2011, rental property owners should start keeping records of payments and collecting Form W-9 information. (Form W-9 is the form used to collect the name, address, and Tax ID number of each payee.)

We will be glad to provide you with blank Forms W-9 starting now, or you can get them at the IRS website, www.irs.gov. We will also prepare all required 2011 Forms 1099 for you in January 2012. It is very important that you keep the proper records for preparing 1099s so as to avoid penalties.

Please feel free to call or write if you have any questions.

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