



FEDERATION OF AMERICAN CONSUMERS AND TRAVELERS

## - NEWS RELEASE -

FOR IMMEDIATE RELEASE

### **New 2011 Tax Rule for Rental Property Owners**

EDWARDSVILLE, IL, January 25, 2011 - Vicki Rolens, Managing Director of the Federation of American Consumers (FACT), reports that there are new Form 1099 reporting requirements for rental property owners in 2011.

For payments made after Dec. 31, 2010, a person receiving rental income from real estate is treated as engaged in the trade or business of renting property.

As a result, recipients of rental income from real estate generally are subject to the same information reporting requirements as taxpayers engaged in a trade or business. In particular, rental income recipients making payments of \$600 or more during the tax year to a service provider (such as a plumber, painter, or accountant) in the course of earning rental income must provide an information return (typically Form 1099-MISC) to the IRS and to the service provider.

The rental property expense payment reporting requirement doesn't apply to:

1. An individual who receives rental income of not more than a minimal amount (to be determined by the IRS);
2. Any individual (including one who is an active member of the uniformed services or an employee of the intelligence community) if substantially all of his or her rental income is derived from renting the individual's principal residence (main home) on a temporary basis; or
3. Any other individual for whom the information reporting requirement would cause hardship (to be defined by the IRS).

To obtain the information necessary to file a Form 1099 at the end of the year, Rolens says it's a good idea to have any involved vendor complete a Form W-9 now.

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This news release has been issued by the Federation of American Consumers and Travelers (FACT), a consumer organization formed under the not-for-profit corporation laws of the District of Columbia in 1984. FACT serves more than 1 million consumers nationwide. Additional information on FACT may be found in the Encyclopedia of Associations, and by visiting the association's Web site ([www.usafact.org](http://www.usafact.org)). Informative, unbiased news bulletins are regularly disseminated by FACT to help its members remain current on matters which might seriously impact their lives. The association does not offer support to -- and does not receive support from -- any political party or movement. In addition to publishing consumer-related reports, the association provides more than 30 benefits for its members, ranging from medical insurance and dental discounts to prescription drug savings and scholarships. FACT's administrative office is located at 318 Hillsboro Avenue, Edwardsville, IL 62025