

**H.R. 5297 (Section 2101(h)) (Small Business Jobs and Credit Act of 2010)  
Landlords to report payments of \$600 or more on IRS Form 1099  
Effective January 1, 2011**

H.R. 5297 includes an expansion of the 1099 reporting related to a trade or business. Under existing law only those real estate professionals engaged in property management-type businesses have been required to file Form 1099. This new federal law extends the Form 1099 requirement to any person who receives rental income. This requirement would apply to any landlord (including a small investor), rather than only those who are in the business of managing property.

Starting Jan. 1, 2011, any person who receives rental income must provide a Form 1099 for all payments of \$600 or more made to service providers such as plumbers, carpenters, yard services and repair people. The purchase of goods is not included within the reporting requirement. The Form 1099 is provided to the IRS and to the service provider. The new requirement applies to both residential and commercial property.