



Memorandum

To: Clients, Friends, Family & Associates of Pro@ctive CPA
From: Mark Wyssbrod, Managing Member
Date: January 21, 2011
Re: Landlord 1099-MISC Update

The Internal Revenue Service (IRS) is under order from Congress to tighten up on the Contractor reporting. As a result all companies will have to issue 1099-MISC to all vendors in 2012.

However, beginning in 2011, landlords must issue 1099-MISC to all of their contractors. Therefore, real estate professionals (i.e. landlords renting real estate) whether incorporated as a business or not (just and individual with a rental) need to issue 1099-MISC all contractors over \$600 for 2011(it does not matter if the contractor is incorporated, all must be issued).

Be certain to get a copy of the following documents:

- Form W-9
 - <http://www.irs.gov/pub/irs-pdf/fw9.pdf?portlet=3>
- If individual or an unincorporated business (not an Inc. or LLC)
 - A copy of the owners' driver's license
 - A copy of the owners' Social Security Card
- You must issue the 1099-MISC for 2011 to the contractor by January 31, 2012
- You must mail the IRS a copy of the 1099-MISC for 2011 with the summary Form 1096 by February 28, 2012
- For More Information
 - Visit the News portion of our website
 - <http://www.pro-active-cpa.com/news.html>
 - December 2010 Update: Employee Vs. Contractor

Please contact us if you have any questions at (770) 664-8583.

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