



# Alert

Tax Planning & Advocacy

## Information Reporting for Rental Real Estate Activities and Individuals Engaged in Passive Activities

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January 2011

The Small Business Jobs Act of 2010 added new reporting requirements relating to rental property expenses. Pursuant to Section 6041(a) of the Internal Revenue Code, all persons engaged in a trade or business are required to report certain payments made of \$600 or more, providing information regarding the recipient of such payment.

Pursuant to new Section 6041(h), a person receiving rental income from real estate is deemed to be engaged in a trade or business for purposes of Section 6041(a). The reporting burden is therefore imposed upon individuals engaged in passive real estate rental activities. This new provision will impose the reporting obligation upon significant numbers of individuals not currently subject to the requirements.

Persons engaged in real estate rental activities should consult with their tax advisers to ensure compliance. For further information, please contact:  
**Tim Lynn (tim@gslaw.com, or call 315.701.6426)**



Tim Lynn has extensive experience assisting clients with federal, state and local tax planning, compliance and advocacy, including advising clients with respect to asset and stock transactions, tax-free reorganizations, partnership taxation, Section 1031 exchanges, federal and New York State tax credits, local tax exemptions and assessment challenges, S elections, foreign operations and assets of U.S. taxpayers, U.S. operations of foreign companies, federal and New York State private ruling requests, federal and state tax law lobbying, federal and state audits, and tax litigation.