



**NATIONAL  
ASSOCIATION of  
REALTORS®**

Ron Phipps  
ABR, CRS, GRI, GREEN, e-PRO, SFR  
2011 President

Dale A. Stinton  
Chief Executive Officer

**GOVERNMENT AFFAIRS**

Jerry Giovaniello, Senior Vice President  
Gary Weaver, Vice President  
Joe Ventrone, Vice President  
Jamie Gregory, Deputy Chief Lobbyist

500 New Jersey Ave., NW  
Washington, DC 20001-2020  
Ph. 202-383-1194 Fax 202-3837580  
www.REALTOR.org

February 15, 2011

The Honorable Dave Camp  
Chairman, House Committee on Ways and Means  
341 Cannon House Office Building  
Washington, DC 20515

Dear Chairman Camp:

The National Association of REALTORS® (NAR), on behalf of our 1.1 million members, supports the full repeal of the burdensome Form 1099 reporting provisions included in the Patient Protection and Affordable Care Act of 2010 (PPACA). That provision burdens small businesses, including individual Realtors® and brokers, and deserves repeal.

NAR also seeks repeal of an overlooked 1099 provision enacted in 2010. The Small Business Jobs Act expanded a reporting requirement that previously applied only to taxpayers engaged in the trade or business of rental real estate. Now, for the first time, any person who receives rental income from real estate must make a Form 1099 report of any payments of \$600 or more. Laudable as it may be to close the tax gap, this provision fails because it is a trap for the unwary.

Many individuals own a single rental property: a home inherited from a family member; a home that a financially strapped former homeowner has had to rent out because the house would not sell; a modest flat or apartment in a home; a property or two held for its potential appreciation by a person with a “day job.” These owners often are not sophisticated taxpayers. Rather, these “little guy” landlords may be unaware of reporting requirements. Even if they were aware of the requirements, they would often be uninformed about how one goes about making Form 1099 reports. Hence, this reporting requirement is not only another paperwork burden, but a trap for all small landlords.

The new 2010 provision is made even more onerous because there are no regulations or publications that describe what services and transactions must be reported. Moreover, small landlords who are in non-compliance with the new reporting rules would be subject to penalties that were doubled in 2010.

We thank the Committee for its efforts to rein in burdensome 1099 reporting requirements. We fully support the timely enactment of legislation repealing both the PPACA and the landlord reporting requirements.

Sincerely,

Ron Phipps, ABR, CRS, GRI, GREEN, e-PRO, SFR  
2011 President, National Association of REALTORS®

Cc: Members, House Committee on Ways and Means



REALTOR® is a registered collective membership mark which may be used only by real estate professionals who are members of the NATIONAL ASSOCIATION OF REALTORS® and subscribe to its strict Code of Ethics.