

# SELF EMPLOYED PERSONS AND RENTAL PROPERTY OWNERS

## 1099 AND CRP FORMS MUST BE FILED BY JANUARY 31<sup>st</sup>

### 1099NEC

If you pay \$600 or more to an individual or unincorporated business during the calendar year for contract work performed for you in your trade or business, you are required to file a Form 1099 NEC (Non-Employee Compensation).

A copy is sent to the Internal Revenue Service and another copy is provided to the person you paid. This information may be necessary for that individual in the preparation of their taxes.

- The deadline for providing the 1099 to the recipient and filing a copy with the IRS is January 31<sup>st</sup>.
- The penalty for filing late could be \$30 to \$100 for each 1099 you are required to file.
- If you neglect to file 1099s when required you will not be able to take the deduction and you will be liable for penalties.

SKALLY'S TAX SERVICE will prepare the 1099s and the required transmittal forms for you. A fee of \$60 will include three 1099s and the transmittal form. There is a \$4 charge for each additional 1099.

#### To meet the deadline, we need the following by January 18, 2021

- 1) Name and address of the person you paid.
- 2) The Social Security number of the person you paid.
- 3) The exact amount you paid.

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### CRP

You must provide your renters with a CRP (Certificate of Rent Paid) form no later than January 31<sup>st</sup>.

SKALLY'S TAX SERVICE will prepare your CRP forms for you. We charge a minimum of \$50 which would include four CRP forms. There is a charge of \$4 for each additional CRP form.

#### To meet the deadline, we need the following by January 18, 2021

- 1) Name and address of each renter.
- 2) The amount of rent paid by each tenant and the months they paid the rent.
- 3) The 2020 Property Tax Statement

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