



Requirement for IRS Form W-9 in Property Owner’s Name and Federal Tax ID Number

AHA will issue IRS Form 1099-MISC to Property Owner, not Manager

Effective: 1/1/2017

The Housing Assistance Payments (HAP) Contract is a “contract between the PHA and the owner” (see Part B, 1a of the HAP Contract, Form HUD 52641). Albuquerque Housing Authority (AHA), a Public Housing Authority (PHA), defines the term “owner” as the real property owner listed on the county property tax bill. The owner is often different from the property management company hired by the real property owner to manage the property.

If there has been a change in ownership of the real estate since the property tax bill was issued, AHA will use the current name of the real estate owner listed on the most recently signed property ownership deed recorded at the County Clerk’s office.

Per IRS instructions for IRS Form 1099-MISC, Box 1. Rents, “Public housing agencies must report in box 1 rental assistance payments made to owners of housing projects.”

Also, as per Federal Regulation 26 CFR 1.6041-1, if there are two or more persons that meet the requirement of submitting an IRS Form 1099-MISC to a payee, an agreement between the parties can be made as to which party will report the payment:

Title 26, Code of Federal Regulations (CFR), Part 1.6041-1

“(e) Payment made on behalf of another person

(1) In general. A person that makes a payment in the course of its trade or business on behalf of another person is the payor that must make a return of information under this section with respect to that payment if the payment is described in paragraph (a) of this section and, under all the facts and circumstances, that person—

- (i) Performs management or oversight functions in connection with the payment (this would exclude, for example, a person who performs mere administrative or ministerial functions such as writing checks at another's direction); or
- (ii) Has a significant economic interest in the payment (i.e., an economic interest that would be compromised if the payment were not made, such as by creation of a mechanic's lien on property to which the payment relates, or a loss of collateral).

(2) Determination of payor obligated to report. If two or more persons meet the requirements for making a return of information with respect to a payment, as set forth in paragraph (e)(1) of this section, the person obligated to report the payment is the person closest in the chain to the payee, unless the parties agree in writing that one of the other parties meeting the requirements set forth in paragraph (e)(1) of this section will report the payment.”

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As a result, **Albuquerque Housing Authority now requires** all landlord accounts to be set up under the current property owner’s name and Federal taxpayer identification number, under which AHA will issue an IRS Form 1099-MISC and report the payment(s) to the U. S. Internal Revenue Service (IRS).

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