Rentec Direct property management software provides the tools to ensure that electronically filed Federal and State 1099-MISC and 1099-NEC forms are submitted with current, accurate information.

Who's required to E-file 1099s?

Pro Tips:

- *Always verify categories and assignment of vendors with your accountant*
- *Before getting started, make sure to have a current W-9 for each vendor and owner*
- *The tax ID for individuals is their social security number (SSN), and for a business, it is their employer identification number (EIN). You can enter zeros if you do not have an SSN or EIN number.*
- *Verify the accuracy of each vendor and owner's mailing address. This is where their copy of the 1099 form will be mailed, which they will use for their personal or corporate tax return. Military APO addresses are accepted; however, other addresses outside the US cannot be used.*

Verify Your Information is Complete and Current

Before E-filing your taxes, we recommend doing some "housekeeping" to ensure complete, accurate information is submitted.

Pro Tip: Use this comprehensive, downloadable checklist to mark off important tasks as you complete each step. Links to helpful reports and additional details are provided here. Step-by-step details for items marked with a ⭐can be found below.

1. ⭐Verify accurate contact and tax information in your Rentec Direct account for yourself, vendors, and owners
2. ⭐Check for duplicate Vendors
3. ⭐Reactivate archived Properties (Properties must be active for transactions to be included in 1099s and can be archived after taxes are filed.)
4. Complete tenant move-outs
5. Tenant Security Deposits - Confirmed reconciled and up to date
6. Maintenance expenses - Record all pending maintenance expenses
7. Review Transactions
   a. ⭐Verify that all transactions are categorized
   b. ⭐Verify that all transactions are assigned to a property
   c. Post any pending transactions
8. ⭐Review Rentec Direct 1099 Tax Assistant Report
9. Create an account with Nelco or sign in to update your password

After verifying information is current, click here for 1099 Tax Filing | Federal and State E-filing and Print Options

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1a) Verify Your Contact and Tax Info

1. Click on **Settings**
2. Under **Account**, click on Y**our Contact Information**
3. Make any necessary changes to your ***Name***, ***address***, and ***Tax ID***
4. Click on **Save Changes**

1b) Verify Owner and Vendor Contact and Tax Info

1. Click on **Reports**
2. Under ***Tax Reports***, click on **1099 Tax Assistant**
3. Use the current **W9s** to compare to displayed ***Tax IDs*** and ***Addresses***

Update a Tax ID, Address, or Name for a Vendor

In your Rentec Direct account:

1. Click on **Settings**
2. Under ***Financial***, click on **Vendors & Payees**
3. *Right-click* on the ***vendor*** and click on ***Edit Vendor***
4. Update the information

   System Note: *Check the 1099 box and choose Non-Employee to signal Nelco Solutions to produce the 1099-NEC form or choose Other to produce a 1099-MISC form.*
5. Click on **Save Changes**

Update a Tax ID, Address, or Name for an Owner

In your Rentec Direct account:

1. Click on **Owners**
2. *Right-click* on the ***owner*** and choose ***Edit Owner***
3. Update the information
4. Click on **Save Changes**

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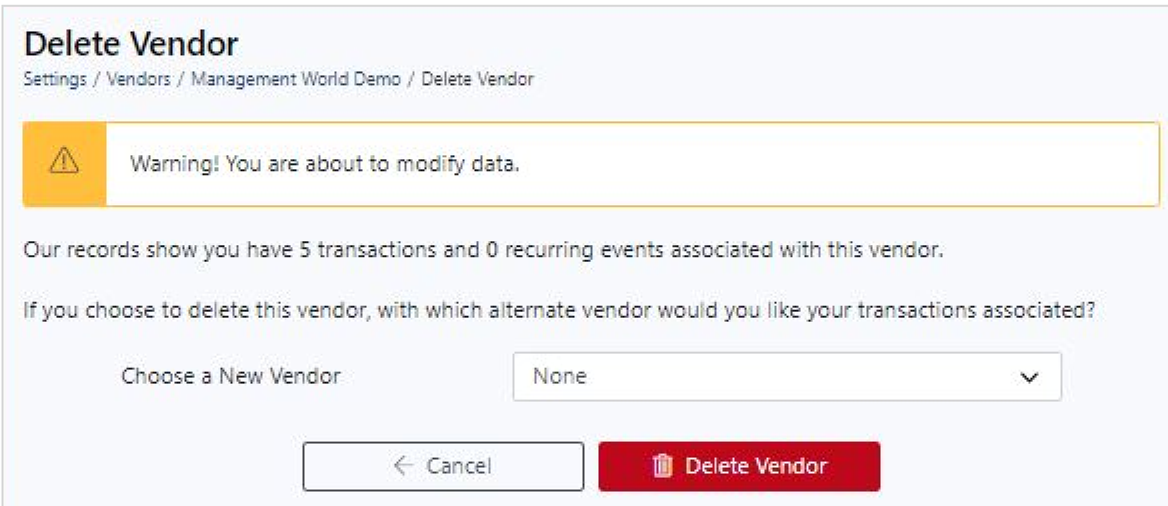
2) Duplicate Vendors

When expenses are entered, if a vendor is manually entered and not selected from the dropdown options, it can create a "Duplicate Vendor." Quickly verify duplicates and merge information in your Rentec Direct account.

1. Click on **Settings**
2. Under ***Financial***, click on **Vendor & Payees**
3. *Right-click* on the duplicate and select **Delete Vendor**
4. The caution screen below will appear, indicating transactions and recurring transactions associated with the vendor and the option to "**Choose a New Vendor**," which will move the transactions to the correct vendor.
5. Click on **Delete Vendor**



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3) Reactivate Archived Property

Properties must be active for transactions to be included in 1099s. (After taxes have been filed, remember to archive the properties)

In your Rentec Direct account

1. Click on **Properties**
2. Click on **Archives**
3. *Right-click* on the property and click on ***Re-Activate***

7) Review Transactions

Be sure all reportable transactions are categorized and linked to a property. Transactions that are 'uncategorized' will not be included in the 1099s.

Verify that all transactions are ***categorized*** and ***linked to a property*** with the ***Category Ledger report***

The Category Ledger report allows you to scroll through and identify transactions that are uncategorized and/or not linked to a property at a glance. The following steps walk through creating a Category Ledger report.

In your Rentec Direct account:

1. Click on **Reports**
2. Under ***Accounting***, click on **Category Ledger**
3. Select the ***Report Period*** (This Year)
4. Select ***All Properties***
5. Use ***ctrl*** or ***shift*** to select all categories to be included
6. Click on **Submit**

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8) Review 1099 Tax Assistant Report

The information in the 1099 Tax Assistant Report includes rents received, and vendor payments entered throughout the year. It is the same data used for creating the 1099 E-file.

System Note: *When viewing the report, click on the vendor or owner to access their ledger to make any necessary changes.*

In your Rentec Direct Account:

1. Click on **Reports**
2. Under ***Tax Reports***, click on **1099 Tax Assistant**

Learn more about how to Edit, Correct, or Delete Transactions

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Frequently Asked Questions

Q) Who is required to E-file Federal 1099s?

A) Any person, including a corporation, partnership, individual, estate, or trust, who files a combined total of 10 or more forms must file electronically.

Important Note: *Nelco Solutions submits forms electronically, if you choose not to E-file, Nelco Solutions does not mail forms to the IRS.*

Q) Is a 1096 form required?

A) When you E-file through Rentec Direct, the 1096 form is not needed. When paper filing, the 1096 form is used as a cover sheet to let the IRS know how many forms are being filed when you mail in your batch of 1099's. When E-filing, the system electronically notifies the IRS as to how many forms are being filed, and the 1096 is not required.

If you choose not to E-file and select the Recipient Mail & Online Retrieval service instead, this will send a copy of the 1099s to each of your vendors/owners. You can then go to the Form Filing History section of the Nelco Solutions website to review and print out the forms so you can manually mail in the tax forms. If you are manually filing your 1099's, then a 1096 form will be required; however, Rentec Direct and Nelco Solutions do not provide you with a 1096 form.

Q) How should vendors be classified

A) Classifying a Vendor: [x] Non-Employee vs. [x] Other When editing your vendor accounts in Rentec Direct you can choose whether to mark your vendors as ***Non-Employee*** or ***Other*** on your 1099's.

With the 1099-MISC box checked, the vendor will be enabled to show up on 1099 reports and electronic 1099-MISC filing. To disable tax reporting for the vendor, uncheck the box. Select the 1099 filing type from the dropdown menu. Refer to the IRS 1099-MISC filing instructions for help selecting the filing type you should use.

Q) What is the difference between a 1099-MISC and a 1099-NEC?

A) In 2020, the IRS reinstated the 1099-NEC (non-employee compensation) form in the 1099 reporting. Previously, only 1099-MISC forms were required. Your Rentec Direct software is programmed to trigger the correct form based on the vendor and payee settings in your software.

Learn more about 1099 NEC and 1099 MISC Changes & Requirements for Property Management