
1099-c debt forgiveness

Posted by Miami LS - 2008/04/12 19:56

Client gave back his rental properties to the bank. One bank forgave his mortgage and issued a 1099-C. The other bank on the second rental issued him a 1099-A. What is the difference between these forms and are they reported differently on the tax return?

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Re:1099-c debt forgiveness

Posted by steve - 2008/04/29 22:17

When a debt is canceled financial institution are required to issue 1099-A or "C".

Usually this 1099A or "C" is reported as "other income/loss" on page one of the tax return. In some situations the 1099A or "C" may be reported against the rental property on either schedule E of the tax return or the business. Check with your CPA preparer for more a detailed analysis.

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