

# What is IRS Form 1099-S and Why is it Important for Real Estate Transactions?

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## What is IRS Form 1099-S?

Internal Revenue Service (IRS) Form 1099-S is used to report gross proceeds from the sale of real estate (and certain other transactions). As a general matter, if real estate is sold, then the sale is to be reported to the IRS through the filing of Form 1099-S (subject to certain exceptions, exclusions and qualifications as set forth in the instructions on the IRS [website](#)). This would include, among other things, the sale of the following:

- Improved or unimproved land, including air space.
- Permanent structures, including any residential, commercial, or industrial building.
- A condominium unit and its fixtures and common elements, including land.
- Stock in a cooperative housing corporation.

The date by which Form 1099-S must be filed is determined by the IRS on an annual basis, so it is important to monitor the relevant IRS publications with respect to each applicable reporting year. For example, per the IRS [website](#), forms relating to reportable transactions for calendar year 2024 must be filed with the IRS by February 28, 2025 (or March 31, 2025 if e-filing).

## Why is it important to file this form?

The IRS may impose penalties for each failure to file, and such penalties may be subject to interest. These penalties vary and depend on various factors, including, among other things, when the form is ultimately filed and the number of reportable transactions that were not timely reported. Note that these penalties and interest are separate from any penalties and or interest that may be due on underlying unpaid taxes.

## Who is responsible for filing the form?

Generally, the person responsible for “closing” a reportable transaction is required to file Form 1099-S. However, determining who is responsible for “closing” the transaction can differ depending on the specific facts of the transaction. Below is a brief overview of who may be responsible for filing in connection with a sale of real estate; the complete instructions can be found at the IRS’s [website](#).

[Read the full article here.](#)