

NAME (S)

RENTAL PROPERTY

If you are renting to make a profit and do not use the dwelling unit as a home, your deductible rental expenses can be more than your gross rental income, subject to certain limits. Your rental losses, however, may be limited by the "at-risk" rules and the passive activity loss rules. If your rental income is more than your rental expenses for at least 3 years out of a period of 5 consecutive years, you are presumed to be renting your property to make a profit.

Property used for Personal Purposes (Days per year)**Was this Property Your Main Home or 2nd Home?**

Y N

If a dwelling is used more than 14 days of the year or more than 10% of the total days it is rented to others at a fair rental price then it is considered your home. Any day that you spend working substantially full time repairing and maintaining (not improving) your property is not counted as a day of personal use. Do not count such a day as a day of personal use even if family members use the property for recreational purposes on the same day.

Actively Participate in the operation of this Rental?

Y N

Active participation is a less stringent standard than material participation. For example, you may be treated as actively participating if you make management decisions in a significant and bona fide sense. Management decisions that count as active participation include approving new tenants, deciding on rental terms, approving expenditures, and similar decisions. You are not treated as actively participating in a rental real estate activity unless your interest in the activity (including your spouse's interest) was at least 10% (by value) of all interests in the activity throughout the year.

Is all your Investment at Risk?

Y N

Generally, any loss from an activity subject to the at-risk rules is allowed only to the extent of the total amount you have at risk in the activity at the end of the tax year. You are considered at risk in an activity to the extent of cash and the adjusted basis of other property you contributed to the activity and certain amounts borrowed for use in the activity. Any loss that is disallowed because of the at-risk limits is treated as a deduction from the same activity in the next tax year.

Are you a Real Estate Professional?

Y N

LAW: Under IRC § 469(c)(7) & Reg. 1.469-9, if the taxpayer spends the majority of his time in real property businesses, meeting the 1/2 personal services and 750-hour tests, rental real estate losses are no longer per se passive. If the taxpayer materially participates in each rental real estate activity, losses are fully deductible. If not, even though the taxpayer is a real estate professional, losses are passive and deductible only up to \$25,000 (if MAGI is less than \$100,000). The IRC § 469(c)(7) does not trigger carryover losses from prior years.

Real Property Business - real property development, construction, acquisition, conversion, rental operation, management, leasing or brokerage. Time spent as an employee in real property activities counts only if the taxpayer is more than a 5 percent owner.

Did you spend more than 750 hours in the real property businesses and rentals in which you materially participated?

If this is a new home or you sold your home (settlement sheet)

Property Address: _____
How Many Days Rented: _____ **How Many Days Personal Use:** _____
Type of Home: (I.e. Single Family, Townhouse, Condo, TimeShare, Land, Duplex, Commercial) _____
If you just started renting the home what **date was the home available for rent?** _____

Income

Gross Rent Received (before Management Fee) _____

Expenses

Advertising Expense _____

Travel (to/from Property) _____

Cleaning & Maintenance _____

Commisssion _____

Homeowners Insurance _____

Legal & Professional Fees _____

Management Fees _____

Mortgage Interest _____

Repairs _____

Supplies (Not Office) _____

Taxes - Property _____

Utilities _____

Homeowners Association _____

Licenses _____

Court Fees _____

Meals (Overnight Travel to Property) _____

Office Supplies _____

Internet _____

Postage & Shipping _____

Business Telephone _____

Other _____

Other _____

Other _____

Major Improvements or Equipment Purchased

(I.e. Carpet Installed, Dishwasher, Windows, Power Washer)

#1 _____

Date: _____ Cost: _____

#2 _____

Date: _____ Cost: _____

#3 _____

Date: _____ Cost: _____

Contractor Labor Expense:

Contractors must receive a 1099 if they received over \$600 in the year. Need Name, Address, SS#, Amount

Did you make payments that would require you to file a 1099? YES NO

If Yes, did you or will you file all required 1099? YES NO

Qualified Business Income Deduction Section 199A

Are separate books and records maintained to reflect income and expenses for each rental property? YES NO

Starting in 2019, taxpayer must maintain contemporaneous records, including time reports, logs, or similar documents, regarding the following (i) hours of all services performed; (ii) description of all services performed; (iii) dates on which such services were performed; and (iv) who performed the services.

How many hours of rental services were performed for this rental property?

Owner Hours: _____

Other Hours: _____

- Rental Services:
- (i) advertising to rent or lease the property
 - (ii) negotiating and executing leases
 - (iii) verifying information contained in prospective tenant applications
 - (iv) collection of rent
 - (v) daily operation, maintenance, and repair of the property
 - (vi) management of the property
 - (vii) purchase of materials
 - (viii) supervision of employees and independent contractors

- * Rental Services may be performed by owners, employees, agents and independent contractors of the owners
- * Does not include financial or investment management activities, such as arranging financing, procuring proper studying and reviewing financial statements or reports on operations; planning, managing or constructing long-term capital improvements; or hours spent traveling to and from the property.
- * Real Estate used by the taxpayer as a residence for any part of the year is not eligible
- * Real Estate rented or leased under a triple net lease is not eligible. Triple net lease includes a lease agreement that requires the tenant to pay taxes, fees, and insurance, and to be responsible for the maintenance. Also if they are required to pay a portion allocable to the property.