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Rental Property Worksheet

Please use this worksheet to give us your rental income and expenses for preparation of your tax returns.

There are three versions of this worksheet; a non-fillable PDF (what you are viewing now), an online digital form and a simple Excel template. While Excel templates are only meaningful to the spreadsheet designer, we have found it to be the preferred version among our rental property owners. Here is the link to the Excel template-

wcginc.com/31

If you feel like safely and securely submitting this information via a digital form, please use this redirect link-

wcginc.com/630

If you want to use the non-fillable PDF or Excel template, please download, complete and securely upload the file to your Sharefile. Please do not email this worksheet since it contains sensitive information. You can access Sharefile here-

wcginc.com/sharefile

Worksheets Available

Here is a list of our worksheets. As mentioned before, you do not have to replicate data that is available elsewhere. For example, mortgage interest and real estate taxes reported on Form 1098 do not need to be entered again with our worksheets. Let's keep life simple and easy for you; that's why you hired us.

Contact Info	Used for basic contact information	wcginc.com/610
Dependents	Used for dependents and dependent care	wcginc.com/612
Deductions	Used for moving, medical, local taxes, home, charity, IRA	wcginc.com/615
Education	Used for education expenses, student loans, 529	wcginc.com/617
Business Set Up	Used for all businesses to detail set up information	wcginc.com/620
Business Ops, Fin. Data	Used for all businesses to report income and expenses	wcginc.com/621
Home Office	Used for home office deductions	wcginc.com/623
Auto Expenses	Used for actual expenses and mileage information	wcginc.com/625
Accountable Plan	Used for business owners to reimburse for mixed use expenses	wcginc.com/628
Rental Property (this one)	Used for rental property income and expenses	wcginc.com/630
Property Sale	Used for reporting real estate sales, home and rental	wcginc.com/637
Expat	Used for expatriates to report foreign income, dates	wcginc.com/640
Annual Questionnaire	Used for tax questions including retirement contributions	wcginc.com/690

Person Submitting form			
Your Name			Cell Phone
Primary Email			
Tax Year	Date	Worksheet	Completed
Is this an update to a previously	submitted worksheet?	Yes	No
Our apologies upfront. This form or for those who just became lar	. •	ere is a bur	nch of information we need for new clients
Existing clients! Welcom expense categories, and		complete tl	he pertinent rental income and
Rental Property Basics			
Property Address			
Property City State and Zip			
Property Nickname		(if used)	
and filed even if your rental loses jurisdiction, a tax return is requir	s money. The rule is simple ed. In many cases, this wo	e- if you hav rks to your	ex return for that state will be prepared re an income producing asset in a taxing advantage since this will help maintain ation for future capital gains calculations.
Rental Income, Rent Received	I		
Rents Rec'd (on 1099s)			
Rents Rec'd (not on 1099s)			
that information to compute you estate taxes. Some lenders are es	r deduction for mortgage scellent about printing the	interest, pr property a	other year-end statements. We will use ivate mortgage insurance (PMI) and real ddress on the Form 1098. If your lender erty address on your tax documents.
Mortgage Interest 1	Le	nder 1 _	
Mortgage Interest 2	Le	nder 2 _	
Mortgage Interest 3	Le	nder 3	
Other Interest	PN	/II (total) _	

Expenses

Advertising	 Supplies	
Travel (no auto miles)**	 Utilities	
Cleaning, Maintenance	 HOA Dues	
Commissions	 Cell Phone (biz portion)*	
Hazard Insurance	 Internet (biz portion)*	
Legal, Professional Fees	 Other	
Management Fees	 Other	
Property Taxes	 Other	
Repairs	 Other	

Other Information

Any other expenses or information that might be pertinent to your rentals? If so, please explain below:

^{*} Cell phone and internet expenses are for managing the property, calling tenants, performing background checks, coordinating with contractors, etc. These expenses are generally about 5-10% business use per rental.

^{**} Report mileage expense on the Vehicle Expense and Mileage worksheet (wcginc.com/325)

Improvements

Did you make any improvements such as new roof, appliances, wall-to-wall carpet, etc.? If Yes, please detail the improvement, date and amount below-

Rental Property Set Up Information

Complete this next section only if you began renting a property during the tax year or **if you are a new client to WCG**. When determining the value of the land, the property assessment from the county assessor can be helpful- we can also help with this too.

Original Purchase Date	
Original Purchase Price	
Portion of Price Attributed to Land	
Date Placed into Service as a Rental	
Service dates can be misleading. If the property of property was technically placed into service on Javailable for rent.	•
Fair Market Value when Placed into Service	

Personal Residence Conversion

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If you owned the property as your personal residence and then converted it to a rental, the basis for depreciation and capital gains is **the lower** of the fair market value or the adjusted cost basis (there are some exceptions). Adjusted cost basis incudes original closing costs, improvements, credits offered at purchase and any depreciation already taken. Simply put we need the Closing Disclosure Statement when you purchased and any improvements.

If applicable, please provide this information below so we can properly calculate your basis for depreciation (sounds fancy)-

Prior Depreciation

If you are a new client with WCG and you had this property as rental on prior tax returns, we will need the full depreciation schedule. This is not always contained within your previous tax returns. We can help you with obtaining or determining this information too.

Does your prior year tax return contain historical depreciation schedules? NA Yes No Unsure

Sale, Management

Did you sell or dispose of this rental property last year? If Yes, please complete the Property Sale Worksheet which asks all kinds of questions to ensure we minimize your capital gains and depreciation recapture. It is common for clients to forget about the new roof or what they originally paid, among other material items. Please submit the Property Sale Worksheet separately-

wcginc.com/637

Is your rental property a multi-unit or multi-family property? Do you rent a portion or unit of a multiple unit dwelling that you also reside in? Or do you rent a room out of your personal residence, or some other unusual rental situation? If so, please explain below-

Have you moved back into the rental or stopped renting it? If Yes, please provide some more details below-

Is the rental property owned (titled) by a trust, LLC or another business entity? Is this rental property reported on a separate tax return such as Form 1065 (Partnership)? If so, please explain below-

Do you share ownership with anyone else besides your spouse? If so, please provide the ownership percentages and the names of other owners belowDid you use the rental for personal use last year? Please tell us the number of days you, your family or close friends have used the rental without paying market rent, and provide a brief explanation below-

Cost Segregation

With a cost segregation report, all the bricks are figuratively torn down and put into different piles. Some piles are eligible for instant depreciation (unlike the hominy grits in My Cousin Vinny), one pile might be a 5-year pile and the remaining pile might revert to the 27.5- or 39.0-year typical rental or business use depreciation. Read more here-

wcginc.com/costseg

Did you complete a Cost Segregation study on this property? If so, have you already applied the accelerated depreciation to previous tax returns? Please provide the report to us and any pertinent details-

Vacation Rental

Vacation rentals add a lot of variety to your real estate investing activities. A lot of people rent out their ski condo or beach house to help offset some of the costs; that was the primary reason. Today, with the help of VRBO and AirBNB, people are not just offsetting some costs, they are running a business. Additionally, these activities are routinely mishandled on tax returns even by the most seasoned tax professional.

H&R Block has a wonderful 2-page PDF titled AirBNB Host Reporting Guide (https://wcginc.com/wp-content/documents/tax/HRBlock-AirBNB.pdf), and it contains all kinds of flowcharts and rules for how to report your vacation rental activities. There are two big determinations, and then some other minor ones.

Tax Return Schedule

The first is where to report the activity on your tax return.

Did you use the property personally? If Yes, and you rented it for 14 days or fewer, then it is non-taxable and not reported on your tax return (this is the Master's Rule as they say with a loose connection to The Masters Tournament in Augusta). This is outlined in Section 280(A) of the Internal Revenue Code if you can't get enough.

- ▲ If you did not use the property personally or if the rental time exceeds 14 days, then the rental activities will be reported on Schedule E unless you provide substantial services.
- ▲ If you provide substantial services such as cleaning the property while occupied (housekeeping), concierge services, guest tours and outings (think hunting lodge), and other hotel-like services, then your rental activities are reported on Schedule C and might be subjected to self-employment taxes.

Vacation Home Rules

The second is to determine if vacation home rules apply. The graph to the right helps highlight this test (thank H&R Block). If vacation home rules apply, your real estate investment expenses (tax deductions) will be limited.

There are a zillion little nuances and other things to consider for vacation rentals. One of the nuances is the definition of a personal use day; if you occupy your ski condo or beach house while installing new flooring, painting the interior or some other maintenance, that might not be considered personal use. It is always a bit of a chuckle when ski condo landlords seem to perform most of their maintenance the day after a nice snowfall hits the Colorado mountains. Yes, of course, it's purely coincidental.

Short-Term Rental (STR) Loophole

If your rental property is considered a short-term rental where the average stay is 7 days or less, then your activity will be considered non-passive. Why is this a big deal? Typical rental activities are considered passive; passive losses are limited and your rental losses might not be deductible. However, an STR that is considered non-passive generally does not have a limit on rental losses. This is especially helpful when a cost segregation study is used to accelerate depreciation.

Read more about the Short-Term Rental loophole here-

wcginc.com/str

Is this rental considered a vacation or short-term rental?

If you stayed in your rental to perform repairs, those days typically do not count as personal-use days. However, and this is nuanced, if you use the property to do improvements (versus repairs), then those days will count as personal-use days. Did you use this rental for personal use? If so, please explain below including the total days rented and days used personally-

How many days on average did guests use this rental?

l you provide substantial services such as daily housekeeping, concierge services, guest to	ours, etc.?
nat were the total number of days that the property was rented during the year?	
nat were the total number of days that the property was available to be rented during the	e year?
ou have not provided a Closing Disclosure statement (formerly known as the HUD) in concretase of this rental property, please try to do so. Several reasons- it helps us create a state or eciation and capital gains calculations since some acquisition costs are added to your costs some other expenses that might be deductible right away in the first year. Lastly, when operty and you cannot find your original purchasing information, you need not worry since	rting point for your ost basis. There are you sell this
leage and Home Office hicle expenses including mileage and business use of your home (home office) are only re pective worksheets. Home office deduction is reserved for Real Estate Professionals only (see below).	•
vehicle expenses including mileage, use the following link-	
ginc.com/625	
al Estate Professionals ou own multiple rental properties and / or are electing yourself a Real Estate Professional ase inform us right away and read our tax article on this election (see link below). A home anot be entertained without being a Real Estate Professional as defined by the IRS, or an a ent. Real estate agents are NOT automatically considered Real Estate Professionals- the IR act and a real estate license or being a Realtor does not automatically satisfy the requirem article which includes current and pertinent tax court cases and audit techniques-	e office deduction active real estate RS definition is very
ginc.com/8766	
ere are two big reasons to be designated a Real Estate Professional-	
You are not limited by passive activity losses (currently \$25,000 subject to income limita	tions), and
You will not have Net Investment Income Tax (NIIT) applied to your net rental income.	
you qualify as a Real Estate Professional as defined by the Yes (and not by simply being a real estate agent or investor)?	No Unsure

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Disclosure

I(We) verify that the information provided in this **Rental Property Worksheet** is accurate and complete. I(We) understand it is my(our) responsibility to include any and all information concerning income, deductions and other information necessary for the preparation of my (our) personal income tax return.

Taxpayer Signature	Date
Printed Name	
Spouse Signature	Date
Printed Name	
Please call or email us anytime with your questio working with you!	ns and concerns. Thank you in advance, and we look forward to
WCG	

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