

Rental Property Worksheet

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

Please download, open in Adobe, complete and securely upload the PDF to your client portal. Please do not email this worksheet since it contains sensitive information. You can access your client portal here-

www.watsoncpagroup.com/portal

Caution: many browsers will give you the warm fuzzy that your information is being saved however when we receive it, the PDF is blank. As such, please download first and then open with Adobe, rather than using your browser.

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	www.wcgurl.com/60
Dependents	Used for dependents and dependent care	www.wcgurl.com/61
Education	Used for education expenses, student loans, 529	www.wcgurl.com/62
Deductions	Used for moving, medical, local taxes, home, charity, IRA	www.wcgurl.com/63
Small Business	Used for LLCs and S Corps to report income and expenses	www.wcgurl.com/64
Rental Property (this one)	Used for rental property income and expenses	www.wcgurl.com/65
Auto Expenses	Used for actual expenses and mileage information	www.wcgurl.com/66
Home Office	Used for home office deductions	www.wcgurl.com/67
Property Sale	Used for reporting real estate sales, home and rental	www.wcgurl.com/68
ExPat	Used for expatriates to report foreign income, dates	www.wcgurl.com/69
Annual Questionnaire*	Used for tax questions including retirement contributions	www.wcgurl.com/70

* Everyone is strongly encouraged to review the annual questionnaire. As tax laws change from year to year, we need to ask questions to ensure you are getting the most out of your tax returns.

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 is ridiculously long. But there is a bunch of information we need for new clients or for those who just became landlords.

Existing clients! Welcome back... you only need to complete the pertinent rental income and expense categories, and any improvements.

There is some excellent information in our KnowledgeBase articles about how rental properties affect your taxes, depreciation, **passive loss limits**, repairs versus improvements, LLC ownership, etc. There is also a huge section about Real Estate Professional and how to qualify. You can check it out at-

www.wcgurl.com/rental

Property Address _____

Property City State and Zip _____

If this rental property is not in the same state as you, a non-resident tax return for that state will be prepared and filed even if your rental loses money. The rule is simple- if you have an income producing asset in a taxing jurisdiction, a tax return is required. In many cases, this works to your advantage since this will help maintain your disallowed or non-deducted losses plus provide historical information for future capital gains calculations.

Rental Income, Rent Received

Rents Rec'd (on 1099s) _____

Rents Rec'd (not on 1099s) _____

Mortgages

Please send your mortgage interest statements (Form 1098) and any other year-end statements. We will use that information to compute your deduction for mortgage interest, private mortgage insurance (PMI) and real estate taxes. Some lenders are excellent about printing the property address on the Form 1098. If your lender does not, and you want to be cool, please write down the rental property address on your tax documents.

Mortgage Interest 1 _____ Lender 1 _____

Mortgage Interest 2 _____ Lender 2 _____

Mortgage Interest 3 _____ Lender 3 _____

Other Interest _____ PMI (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	_____

* 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 (www.wcgurl.com/66)

Other Information

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

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-

2018 Rental Property Set Up Information

Complete this next section only if you began renting a property in 2018 or **if you are a new client**. 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 Property was Placed into Service _____

Service dates can be misleading. If the property was available for rent on Jan 1 but not rented until Mar 1, the property was technically placed into service on Jan 1. Again the service date is the date the property was available for rent.

Fair Market Value when Placed Service _____

Personal Residence Conversion

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 includes 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)-

Closing Disclosure Statement Request

If you have not provided a closing disclosure statement (formerly known as the HUD) in connection with the purchase of this rental property, please try to do so. Several reasons- it helps us create a starting point for your depreciation and capital gains calculations since some acquisition costs are added to your cost basis. There are also some other expenses that might be deductible right away in the first year. Lastly, when you sell this property and you cannot find your original purchasing information, you need not worry since we have a copy.

Prior Depreciation

If you are a new client with the Watson CPA Group 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.

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-

www.wcgurl.com/68

Have you or will you move back into the rental? If Yes, please provide some more details below-

Did 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-

Is your rental considered a vacation rental? Do you list it on VRBO or AirBNB, like a ski-condo or beach house? If so, please explain below including the days rented and days used personally-

Do you share ownership with anyone else besides your spouse? If so, please provide the ownership percentages and the names of other owners below-

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-

Mileage and Home Office

Vehicle expenses including mileage and business use of your home (home office) are only reported on the respective worksheets. Home office deduction is reserved for **Real Estate Professionals** only as defined by the IRS (see below).

For vehicle expenses including mileage, use the following link-

www.wcgurl.com/66

Real Estate Professionals

If you own multiple rental properties and / or are electing yourself a **Real Estate Professional** for tax purposes, please inform us right away and read our tax article on this election (see link below). A home office deduction cannot be entertained without being a Real Estate Professional as defined by the IRS, or an active real estate agent. Real estate agents are NOT automatically considered Real Estate Professionals- the IRS definition is very strict and a real estate license or being a Realtor does not automatically satisfy the requirement. Please read our tax article which includes current and pertinent tax court cases and audit techniques-

www.wcgurl.com/8766

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 questions and concerns. Thank you in advance, and we look forward to working with you!

The Watson CPA Group