DepreciMax

BONUS DEPRECIATION INTELLIGENCE

PREVIEW EDITION · 2026

The State of Bonus Depreciation in US Short-Term Rentals — 2026

Findings from the **DepreciMax STR Bonus Depreciation Market Study** — the first national analysis to rank US short-term rental markets by federal IRS §168(k) bonus depreciation potential, per market and per listing.

Prepared by the **DepreciMax Research Team** · Snapshot **2026-07-18** · **v1.1**

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197	1,717	19.9%	147
US STR MARKETS ANALYZED	LISTINGS INDIVIDUALLY ESTIMATED	WEIGHTED NATIONAL MEAN BONUS-ELIGIBLE	FAMOUS MARKETS THAT FAIL THE TAX MATH

This is the **DepreciMax STR Bonus Depreciation Market Study** — to our knowledge, the first national analysis to rank US short-term rental markets by federal IRS §168(k) bonus depreciation potential, per market and per listing. Every one of the 197 US STR markets in the dataset is scored by combining assessor-grade land value ratios, active listing amenity signals, and full state §168(k) conformity treatment. The headline result is the ranking below: the **Top 50 US STR markets** where the federal tax math actually clears the bar that changes a purchase decision. Everything else in this Preview Edition — the national baseline, the famous markets that fail, the conformity map — flows from that same underlying dataset.

FINDING 01 · THE FULL TOP 50

The 50 US STR markets where the tax math actually works

Ranked below are the 50 US STR markets that clear the medal thresholds — the Top 50 of the 197 markets analyzed in the 2026 dataset. Each is characterized by low land value ratios (leaving more of the purchase price as depreciable structure), amenity-heavy short-term rental stock, and — with two exceptions — full state §168(k) conformity.

MEDAL THRESHOLDS DIAMOND ≥ 24% GOLD ≥ 22% SILVER ≥ 20% BRONZE ≥ 18%

RANK	MARKET	MEDIAN BONUS %	MEDIAN Y1 DEDUCTION	TOTAL TAX BENEFIT	DIAMOND DENSITY	CONFORMITY
1	**Lake Cumberland** LAKE · KY	27.1%	$89,416	$36,661	78%	FULL
2	**Poconos** MOUNTAIN · PA	26.7%	$178,623	$68,833	76%	PARTIAL
3	**Branson** MOUNTAIN · MO	26.6%	$97,090	$40,486	76%	FULL
4	**Angel Fire** SKI · NM	26.4%	$167,640	$71,918	76%	FULL
5	**Broken Bow** LAKE · OK	26.4%	$138,600	$57,866	76%	FULL
6	**Winter Park** SKI · CO	26.1%	$736,673	$304,983	81%	FULL
7	**Driggs / Teton Valley** SKI · ID	26.1%	$346,869	$148,460	73%	FULL
8	**Joshua Tree** DESERT · CA	25.9%	$102,823	$38,045	69%	DECOUPLED
9	**Blue Ridge Mountains** MOUNTAIN · GA	25.8%	$136,069	$58,170	63%	FULL
10	**Orlando / Kissimmee** URBAN · FL	25.7%	$76,576	$28,333	67%	FULL
11	**Table Rock Lake** LAKE · MO	25.7%	$115,650	$48,227	69%	FULL
12	**Hot Springs** MOUNTAIN · AR	25.5%	$79,050	$33,122	60%	FULL
13	**Tannersville** SKI · NY	25.5%	$146,625	$54,251	81%	DECOUPLED
14	**Ellicottville** SKI · NY	25.5%	$117,045	$43,307	69%	DECOUPLED
15	**Hocking Hills** MOUNTAIN · OH	25.5%	$153,000	$61,965	69%	FULL
16	**Vero Beach** BEACH · FL	25.3%	$177,100	$65,527	42%	FULL

RANK	MARKET	MEDIAN BONUS %	MEDIAN Y1 DEDUCTION	TOTAL TAX BENEFIT	DIAMOND DENSITY	CONFORMITY
17	New Braunfels LAKE · TX	24.9%	$130,725	$48,368	62%	FULL
18	Palm Coast / Flagler BEACH · FL	24.9%	$174,300	$64,491	49%	FULL
19	Smoky Mountains MOUNTAIN · TN	24.6%	$92,225	$34,123	60%	FULL
20	Myrtle Beach BEACH · SC	24.6%	$100,489	$43,713	44%	FULL
21	Galveston BEACH · TX	24.6%	$91,020	$33,677	55%	FULL
22	Ruidoso MOUNTAIN · NM	24.6%	$92,250	$39,576	62%	FULL
23	Sunday River SKI · ME	24.6%	$316,110	$139,563	71%	FULL
24	Lake Lanier LAKE · GA	24.6%	$106,887	$45,694	57%	FULL
25	Wisconsin Dells LAKE · WI	24.5%	$120,050	$49,011	60%	PARTIAL
26	Cody MOUNTAIN · WY	24.3%	$169,857	$62,847	60%	FULL
27	Sugarloaf SKI · ME	24.3%	$147,987	$65,336	67%	FULL
28	Moab DESERT · UT	24.2%	$169,279	$70,335	49%	FULL
29	Douglas Lake LAKE · TN	24.2%	$145,176	$53,715	55%	FULL
30	Hunter Mountain SKI · NY	24.0%	$203,760	$75,391	57%	DECOUPLED
31	Traverse City LAKE · MI	24.0%	$126,000	$51,975	49%	FULL
32	Las Vegas DESERT · NV	23.9%	$143,279	$53,013	52%	FULL

RANK	MARKET	MEDIAN BONUS %	MEDIAN Y1 DEDUCTION	TOTAL TAX BENEFIT	DIAMOND DENSITY	CONFORMITY
33	**Prescott** MOUNTAIN · AZ	23.9%	$143,400	$56,643	55%	FULL
34	**Grand Lake** LAKE · CO	23.7%	$208,323	$86,246	55%	FULL
35	**Taos** SKI · NM	23.7%	$142,082	$60,953	55%	FULL
36	**Red River** SKI · NM	23.7%	$164,715	$70,663	55%	FULL
37	**McCall** SKI · ID	23.7%	$231,075	$98,900	55%	FULL
38	**Kanab** NATIONAL PARK · UT	23.7%	$141,963	$58,985	53%	FULL
39	**Coeur d'Alene** LAKE · ID	23.7%	$184,860	$79,120	39%	FULL
40	**Savannah** URBAN · GA	23.6%	$96,748	$41,360	50%	FULL
41	**Asheville** MOUNTAIN · NC	23.4%	$127,998	$47,359	46%	DECOUPLED
42	**Killington** SKI · VT	23.4%	$217,386	$99,454	52%	FULL
43	**Santa Fe** HISTORIC · NM	23.4%	$135,250	$58,023	47%	FULL
44	**Red Lodge** SKI · MT	23.4%	$163,800	$70,270	52%	FULL
45	**Windham** SKI · NY	23.4%	$137,241	$50,779	49%	DECOUPLED
46	**Williams / Grand Canyon** NATIONAL PARK · AZ	23.4%	$115,128	$45,475	52%	FULL
47	**Palm Springs** DESERT · CA	23.3%	$179,177	$66,295	35%	DECOUPLED
48	**Finger Lakes** LAKE · NY	23.1%	$94,421	$34,936	49%	DECOUPLED

RANK	MARKET	MEDIAN BONUS %	MEDIAN Y1 DEDUCTION	TOTAL TAX BENEFIT	DIAMOND DENSITY	CONFORMITY
49	**Sandpoint** SKI · ID	23.1%	$158,928	$68,021	47%	FULL
50	**Kalispell / Flathead** MOUNTAIN · MT	23.1%	$144,375	$61,937	49%	FULL

Total tax benefit = federal savings at the 37% top marginal rate + state savings at the state's top marginal rate, applied only where the state conforms to federal §168(k). Partial-conformity states apply half. Decoupled states contribute nothing on top of federal.

The median Year-1 deduction across the Top 50 varies from roughly **$77,000** at the low end (Orlando / Kissimmee) to over **$736,000** at the high end (Winter Park) — driven almost entirely by median property price, not by underlying tax yield. A Diamond property in Orlando is the same Diamond as a Diamond property in Winter Park; the dollar amount of the deduction just scales with what the buyer paid. The total tax benefit column layers the state effect on top: full-conformity states like Kentucky and Colorado stack a meaningful state deduction onto the federal Year 1; California decouples entirely, so Joshua Tree buyers keep the federal but lose the state add-on.

SPOTLIGHT · BY CATEGORY

How the Top 50 breaks down by market type

The same dataset viewed by market category. Each category has a signature amenity profile that repeats across the underlying market pages — the 5-year personal property and 15-year land improvements that drive most of the bonus-eligible total on a per-listing basis. Prevalence numbers below are DepreciMax's estimates of how often each amenity shows up across active listings in the category's Top-50 markets.

Lake

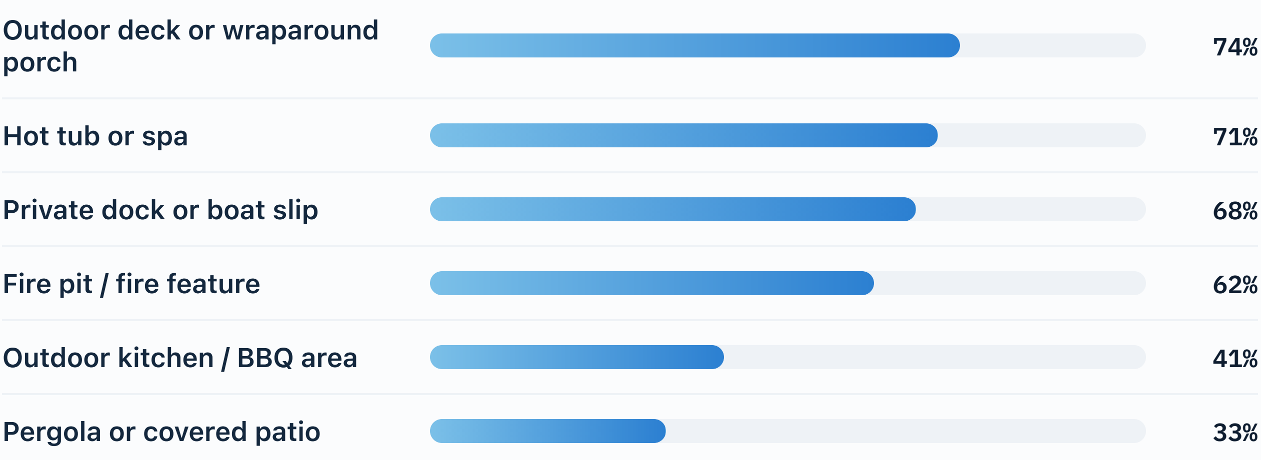
11 markets in the Top 50. Top-ranked: Lake Cumberland (KY, #1), Broken Bow (OK, #5), Table Rock Lake (MO, #11). Also: New Braunfels (TX), Lake Lanier (GA), Wisconsin Dells (WI), Douglas Lake (TN), Grand Lake (CO), Traverse City (MI), Finger Lakes (NY), Coeur d'Alene (ID).

Lake markets are the most consistent category in the Top 50. Rural land keeps the land-ratio component structurally low (typical 12–18%), and the 15-year outdoor amenity stack is where bonus-eligible dollars pile up fastest. Every lake market page tells a similar story: **private dock or**

boat slip, hot tub, fire pit, wraparound decking, outdoor kitchen — all classified as land improvements under IRS §168(k), all 100% bonus-eligible in Year 1.

Common bonus-eligible amenities in lake STRs

Prevalence of 15-year land improvements typically observed across the 10 lake markets in the Top 50 — all 100% bonus-eligible in Year 1 under §168(k):



DEPRECIMAX SOURCE: DEPRECIMAX STR BONUS DEPRECIATION MARKET STUDY · 2026

For offer analysis, the dock is usually the single-largest 15-year line item — $15k–$40k depending on the water body and permit posture — and combined with hot tub, fire pit, and decking, the outdoor stack alone typically pushes past $75k of 15-year property on a mid-tier lake home. That's what turns a good lake purchase into a Diamond property. State conformity is the second lever: Kentucky, Oklahoma, Missouri, Texas, and Georgia are all full-conformity, which is why lake markets in those states rank so high on total tax benefit.

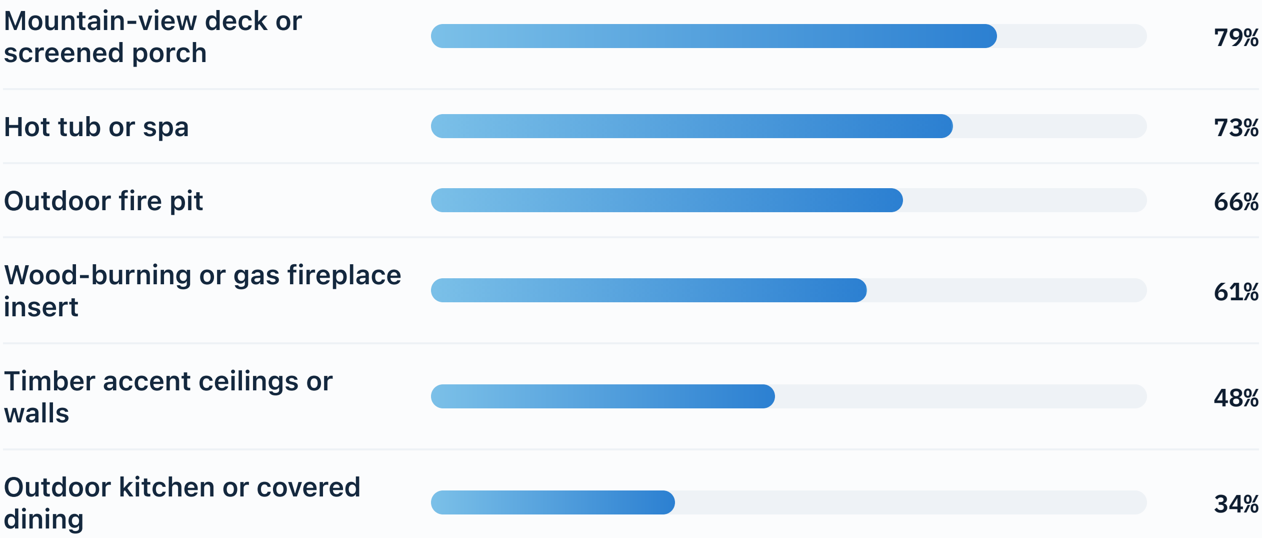
Mountain

11 markets in the Top 50. Top-ranked: Poconos (PA, #2), Branson (MO, #3), Blue Ridge Mountains (GA, #9). Also: Hot Springs (AR), Hocking Hills (OH), Smoky Mountains (TN), Ruidoso (NM), Cody (WY), Prescott (AZ), Kalispell / Flathead (MT), Asheville (NC).

Mountain markets share a signature 15-year outdoor amenity profile plus a specific interior stack: wood-burning inserts, decorative timber ceilings, log-style FF&E, and — critically — screened porches and mountain-view decks that classify entirely as 15-year land improvements, not 39-year structural. Cabin architecture, done properly, is one of the most bonus-friendly builds an investor can buy.

Common bonus-eligible amenities in mountain STRs

Estimated prevalence across active listings in the category's Top-50 markets — a mix of 15-year land improvements and 5-year interior property, all bonus-eligible in Year 1 under §168(k):



DEPRECIMAX SOURCE: DEPRECIMAX STR BONUS DEPRECIATION MARKET STUDY · 2026

Mountain properties land in the 24–27% bonus-eligible range on median across the category. State conformity is mixed: GA, NC, TN, MO, AR, OH, MT are all full-conformity; PA is partial; NY-adjacent decoupled states drag the total tax benefit of otherwise-strong markets. When comparing two mountain markets, always factor state — a Diamond in Georgia stacks more Year-1 tax benefit than a Diamond in New York, at the same property price.

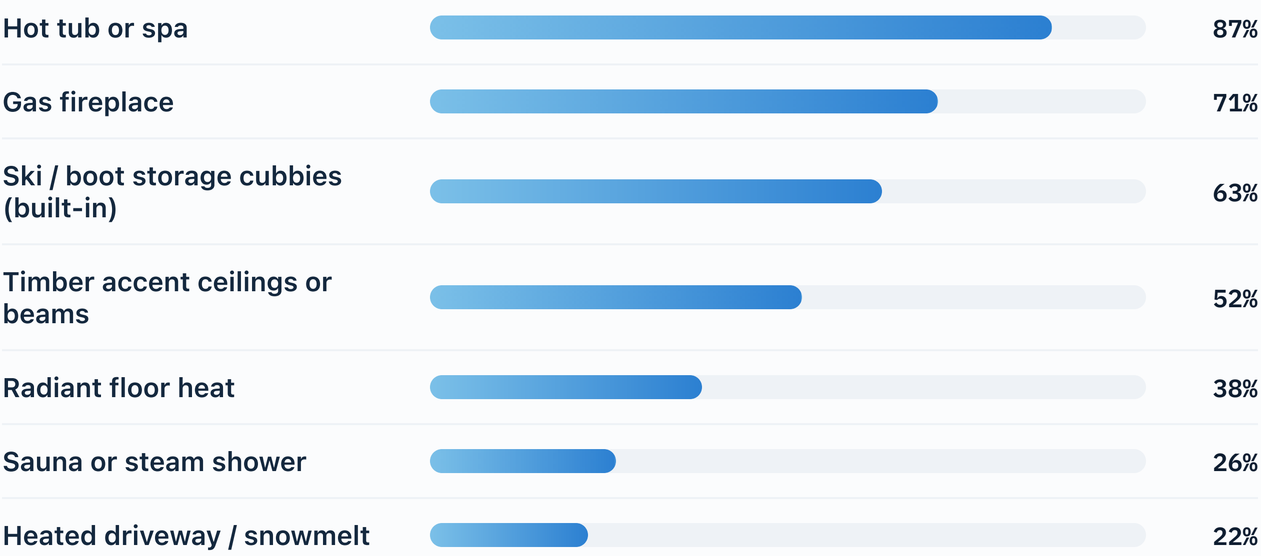
Ski

15 markets in the Top 50 — the largest cluster. Top-ranked: Angel Fire (NM, #4), Winter Park (CO, #6), Driggs / Teton Valley (ID, #7). Also: Tannersville (NY), Ellicottville (NY), Sunday River (ME), Sugarloaf (ME), Hunter Mountain (NY), Taos (NM), Red River (NM), McCall (ID), Killington (VT), Red Lodge (MT), Windham (NY), Sandpoint (ID).

Ski is the largest single category in the Top 50, and ski properties are almost universally amenity-heavy. The combination of hot tub + gas fireplace + high-end kitchen finishes shows up in virtually every active listing across the category. The specialty 15-year improvements — heated driveways, snowmelt walkways, ski-storage cubbies with boot warmers — layer additional bonus-eligible dollars on top of the base amenity stack.

Common bonus-eligible amenities in ski STRs

Estimated prevalence across active listings in the category's Top-50 markets — all bonus-eligible in Year 1 under §168(k):



DEPRECIMAX SOURCE: DEPRECIMAX STR BONUS DEPRECIATION MARKET STUDY · 2026

Ski markets also skew toward newer construction (2015+), which improves the finish grade and shifts more dollars into 5-year personal property. That's why ski markets like Winter Park, Sunday River, and Killington show the highest median Year-1 deductions in the whole Top 50 despite mid-range bonus-eligible percentages — the property prices are simply bigger, so the Diamond percentage translates to a larger dollar figure. Winter Park's $736k median Y1 deduction leads the entire list.

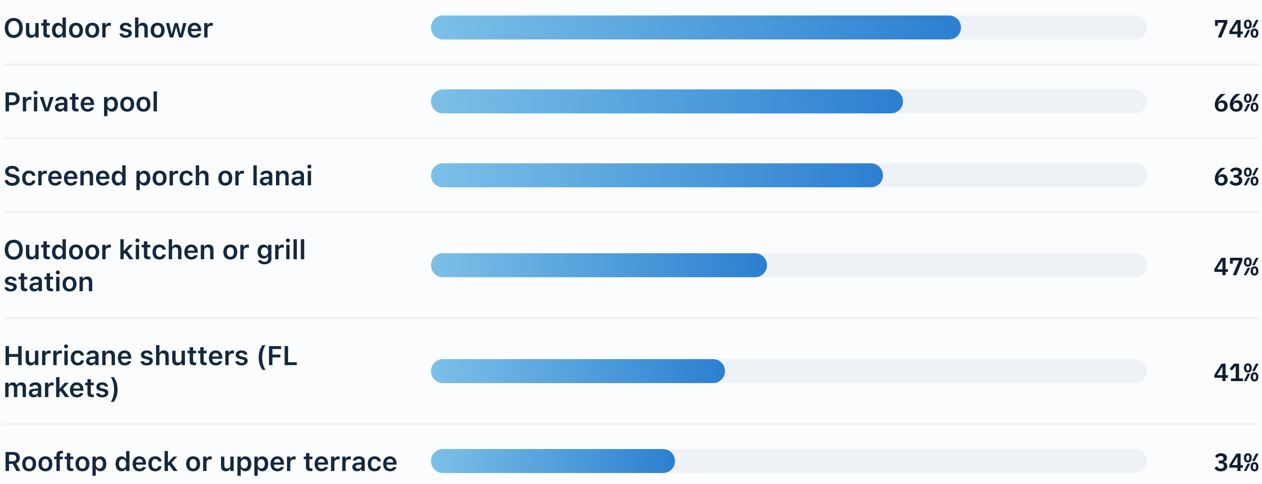
Beach

4 markets in the Top 50. Top-ranked: Vero Beach (FL, #16), Palm Coast / Flagler Beach (FL, #18), Myrtle Beach (SC, #20). Also: Galveston (TX, #21).

Beach markets underperform in the Top 50 not because their properties lack amenities, but because coastal land ratios are structurally higher than inland lake or mountain markets. The beach markets that DO clear the Diamond threshold tend to be inland-adjacent — Vero Beach's mainland neighborhoods, Palm Coast's canal properties, Myrtle Beach's inland corridors — rather than direct oceanfront, where land can be 40–55% of purchase price and the depreciable structure share collapses.

Common bonus-eligible amenities in beach STRs

Estimated prevalence across active listings in the category's Top-50 markets — all bonus-eligible in Year 1 under §168(k):



DEPRECIMAX SOURCE: DEPRECIMAX STR BONUS DEPRECIATION MARKET STUDY · 2026

For beach buyers, the practical takeaway from the Study is that market selection matters more than amenity selection. A property with pool, outdoor shower, and lanai in Vero Beach (inland-adjacent, 24% land ratio) will out-yield the same property in Miami Beach (oceanfront, 55% land ratio) at the tax-math level. All four beach markets in the Top 50 are in full-conformity states (FL, SC, TX), which helps — but land ratio is the primary variable.

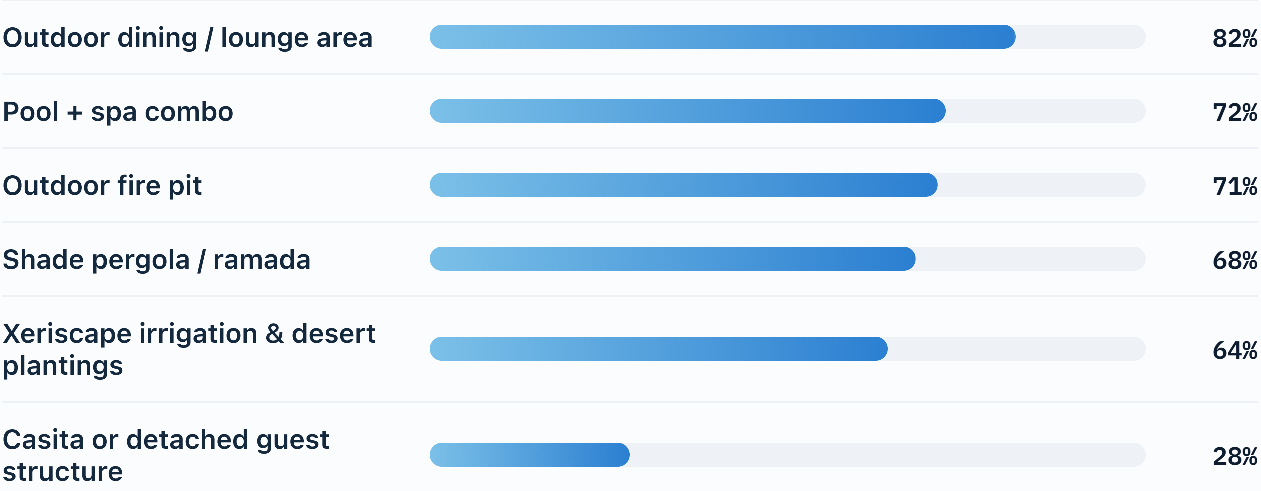
Desert & National Park

6 markets in the Top 50. Top-ranked: Joshua Tree (CA, #8), Moab (UT, #28), Kanab (UT, #38). Also: Las Vegas (NV), Palm Springs (CA), Williams / Grand Canyon (AZ). Two of these (Joshua Tree, Palm Springs) sit in decoupled California — federal §168(k) intact, no state add-on.

Desert and national-park markets combine into a single category because they share the same amenity DNA: pool + shade combos, xeriscape landscaping, casita structures, dark-sky-friendly exterior lighting, and generous outdoor lounging square footage. Land is cheap in the American desert West — Joshua Tree's median land ratio is 16%, one of the lowest in the Study — so almost the entire purchase price becomes depreciable structure.

Common bonus-eligible amenities in desert & national-park STRs

Estimated prevalence across active listings in the category's Top-50 markets — one of the highest per-property amenity ceilings in the dataset:



DEPRECIMAX SOURCE: DEPRECIMAX STR BONUS DEPRECIATION MARKET STUDY · 2026

The desert amenity profile has one of the highest per-property ceilings in the Top 50. The case study later in this Study — 3000 Rockwood Rd in Joshua Tree — shows over $354k of 15-year improvements on a single property, driven by pool, ramada, pickleball court, Corten steel fencing, and landscaping. For premium desert builds, the total bonus-eligible dollars can eclipse anything in the ski or lake categories. California's decoupling is the one meaningful drag — Utah, Nevada, and Arizona are all full-conformity, which is why Moab and Kanab pull cleaner state add-ons than Joshua Tree at the same bonus-eligible percentage.

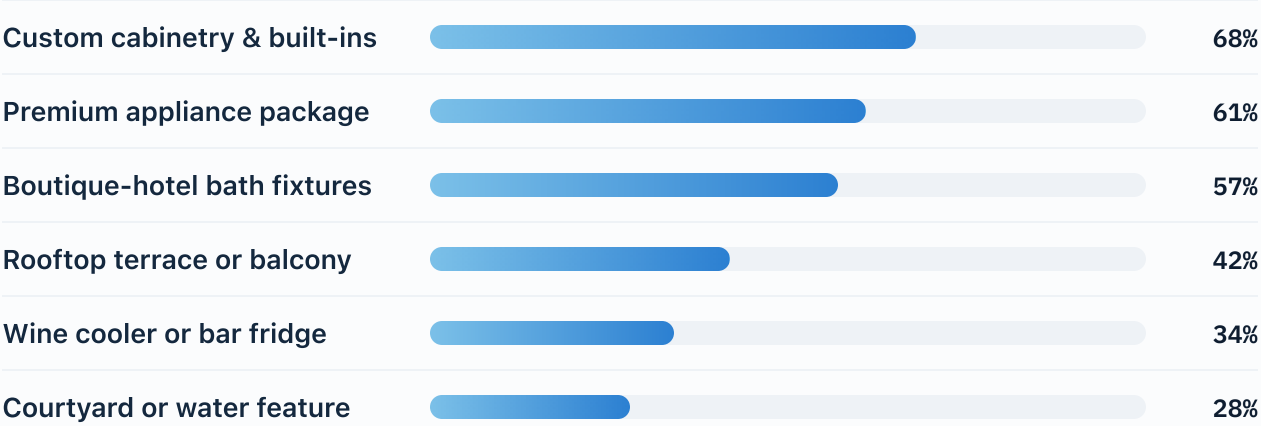
Urban & Historic

3 markets in the Top 50. Top-ranked: Orlando / Kissimmee (FL, #10), Savannah (GA, #40), Santa Fe (NM, #43). All three sit in full-conformity states.

Urban and historic markets have structurally higher land ratios and smaller absolute purchase prices than the rural categories — Orlando's median STR runs $76k of Year-1 deduction, one of the lowest in the Top 50. What they lack in dollar magnitude they make up for in accessibility: entry pricing on a bonus-Diamond property is meaningfully lower here than in the ski or lake categories, and full state conformity means every federal dollar carries a state layer on top.

Common bonus-eligible amenities in urban & historic STRs

Estimated prevalence across active listings in the category's Top-50 markets — weighted toward 5-year personal property and finish work:



DEPRECIMAX SOURCE: DEPRECIMAX STR BONUS DEPRECIATION MARKET STUDY · 2026

For urban and historic STRs, the bonus depreciation math looks compositionally different — less 15-year land improvement, more 5-year personal property. That shifts the mix underneath the Year-1 deduction but not the total. A Diamond in Savannah is still a Diamond: 24%+ bonus-eligible, just with more of the dollars coming from cabinetry, appliances, and finish work than from decks, docks, and pools.

READING THE CATEGORIES

Category-level patterns explain why the Top 50 skews toward Ski, Mountain, and Lake markets: rural land is cheap, and the 15-year outdoor amenity stack (hot tubs, decking, fire pits, boat docks, pergolas) is where bonus-eligible dollars pile up fast. Beach and Urban categories are underrepresented not because their properties lack amenities but because their land ratios are structurally higher. When a buyer is evaluating a specific listing, the prevalence tables above answer the question "is this amenity typical for the market" — a signal that helps distinguish a genuinely Diamond-density listing from an outlier that happens to be well-appointed.

FINDING 02 · THE NATIONAL BASELINE

The average US short-term rental is not a bonus depreciation win

Across 197 US short-term rental markets, weighted by active listing volume, the national mean bonus-eligible percentage of purchase price is **19.9%**. That is the average outcome: an investor buying an average property in an average US STR market can expect roughly one in five dollars of purchase price to classify as 5-year or 15-year property under IRS §168(k).

The Diamond tier — where the tax math actually starts to move an investment decision — sits at **24% bonus-eligible or higher**. That threshold corresponds to the weighted 90th percentile of the national distribution. In plain English: only the top 10% of active US STR listings clear it.

Distribution of bonus-eligible % across 197 US STR markets

Weighted share of markets by bonus-eligible bucket (2% bins). Buckets at or above the 24% Diamond threshold are the top decile of the national distribution.

DEPRECIMAX · WEIGHTED SHARE OF 197 MARKETS

SOURCE: DEPRECIMAX STR BONUS DEPRECIATION MARKET STUDY · 2026

WHY THIS MATTERS

Bonus depreciation only meaningfully changes an offer when a property clears the Diamond threshold. Below Diamond, the tax benefit still exists but it is not the deciding factor in the purchase decision. Above Diamond, it can shift the offer price by tens of thousands of dollars. Screening for the top 10% is the entire game — and doing it before an offer is made is what this Study is designed to enable.

FINDING 03 · WHERE THE MATH DOESN'T WORK

147 famous short-term rental markets don't clear the bonus depreciation threshold

The DepreciMax STR Bonus Depreciation Market Study tracks 197 US short-term rental markets. 50 clear the medal thresholds and are ranked in the Top 50; 147 do not, and are tracked as reference cases. Below are eight famous STR destinations that most investors would put on a shortlist for revenue, but that fail on tax-adjusted yield.

MARKET	MEDIAN BONUS %	MEDIAN LAND RATIO	CONFORMITY	PRIMARY REASON IT FAILS
Telluride, CO	21.6%	28%	FULL	Land ratio elevated for a ski market; median bonus % just below Gold threshold.
Vail, CO	21.5%	35%	FULL	High land component in premium ski real estate; misses Gold by half a point.
Napa Valley, CA	17.9%	41%	DECOUPLED	High land value plus CA decoupling — federal deduction available but state benefit blocked.
Key West, FL	17.4%	42%	FULL	Land is most of the purchase price on this island market; median bonus % below Bronze threshold.
The Hamptons, NY	15.9%	49%	DECOUPLED	Nearly half the purchase price is non-depreciable land; NY decouples from federal §168(k).
Santa Barbara, CA	14.9%	52%	DECOUPLED	Land ratio above 50% and state decoupled — one of the weakest STR bonus depreciation profiles in the dataset.
Aspen / Snowmass, CO	14.1%	54%	FULL	Ultra-premium land values dominate the purchase price; even full CO conformity cannot save the tax math.
Malibu, CA	12.9%	57%	DECOUPLED	Highest structural land ratio in the study among famous STR markets, plus CA decoupling.

THE PATTERN

Two variables sink almost every famous STR market: land ratio (the higher the land component of the purchase price, the smaller the depreciable structure base) and state §168(k) decoupling (available in some states, blocked in others). When both work against a market — as they do in the Hamptons, Santa Barbara, and Malibu — the tax math cannot be salvaged at the property level. This is why market selection is upstream of property selection for investors optimizing for tax yield.

FINDING 04 · THE STATE CONFORMITY MAP

State §168(k) conformity is a hidden yield killer for STR investors

Federal §168(k) bonus depreciation is a federal deduction. Whether an investor can also take the deduction on their state return depends on whether the state **conforms** to federal §168(k), **partially conforms**, or **decouples** entirely. The DepreciMax Study classifies every US market by the conformity status of its state.

- Full conformity — state allows federal §168(k) deduction (135 markets)
- Decoupled — federal deduction available; state does not follow (58 markets)
- Partial — state allows a modified version (4 markets)

DEPRECIMAX · STATE §168(k) CONFORMITY, 197 MARKETS

SOURCE: DEPRECIMAX STR BONUS DEPRECIATION MARKET STUDY · 2026

Two examples make the difference concrete. **Florida markets** (Destin, Orlando, Panama City Beach) sit in a full-conformity state — federal §168(k) flows through to the state return without penalty. **California markets** (Joshua Tree, Palm Springs, Napa Valley, Malibu) sit in a decoupled state — the federal deduction is intact, but the state deduction is not. For a California buyer at the top marginal state rate, decoupling can meaningfully reduce the after-all-taxes benefit of a strong federal §168(k) year. It does not eliminate the federal deduction, but it is a variable this Study codifies per market so that buyers can factor it in *before* making an offer.

CASE STUDY · A DESERT DIAMOND

Anatomy of a Diamond property — 3000 Rockwood Rd, Joshua Tree, CA

Rankings and thresholds only mean something once you see the dollar breakdown behind an actual property. Below is a real DepreciMax report on a premium-tier Joshua Tree build — a Diamond property in a Diamond market, in a state that decouples from federal §168(k). It illustrates both what drives a strong bonus-eligible outcome at the line-item level and how state conformity changes the after-all-taxes number.

3000 Rockwood Rd, Joshua Tree, CA 92252

◆ DIAMOND · 26.8%

Purchase price: **$2,995,000** · Built 2022 · 2,847 sqft · 50 photos analyzed · Confidence: high

Category: Desert · State conformity: Decoupled (federal §168(k) intact, no CA state add-on)

PURCHASE PRICE ALLOCATION BY IRS CLASS

BONUS-ELIGIBLE (5-YR + 15-YR) = $803,596 · 26.8%

Breakdown by IRS class

Land value (16%)	**$479,200**
5-year personal property	**$449,279**
15-year land improvements	**$354,317**
39-year structural	**$1,712,204**

Top bonus-eligible line items

In-ground pool + spa (15-yr)	**$110,000**
FF&E — fully furnished (5-yr)	**$85,000**
Porcelain tile flooring throughout (5-yr)	**$74,310**
Corten steel perimeter fence (15-yr)	**$50,000**
Covered pavilion / ramada (15-yr)	**$35,000**
Lighting, AV & specialty electrical (5-yr)	**$30,000**
Landscaping, irrigation & desert plantings (15-yr)	**$25,000**
Pickleball court (15-yr)	**$18,000**

TOTAL BONUS-ELIGIBLE **$803,596** · 26.8% of purchase price

Applied at the 37% top federal marginal rate, this produces roughly **$297,331** of Year-1 federal tax savings. Because California decouples from federal §168(k), the state add-on is zero — a real-world illustration of the pattern in Finding 04. A comparable Diamond property in a full-conformity state (Kentucky, Colorado, Florida) would stack additional state savings on top of the same federal number. This case is well above the Joshua Tree market median of $102,823 shown in the Top 50 table: same Diamond tier, larger property, dollar effect scales with purchase price.

§469 assumption. *Year-1 federal tax savings shown assume the deduction is usable against the buyer's income in the year the property is placed in service — i.e., the buyer materially participates or qualifies under the short-term-rental exception to the §469 passive-activity loss limits. A passive investor may* *instead have to carry the deduction forward against future passive income. Confirm treatment for your situation with your CPA.*

DEPRECIMAX SOURCE: DEPRECIMAX STR BONUS DEPRECIATION MARKET STUDY · 2026

FINDING 05 · HOW TO USE THIS STUDY

Market selection is upstream of property selection

The core practical implication of the DepreciMax STR Bonus Depreciation Market Study is that STR investors optimizing for tax-adjusted return should screen at the market level first, then verify at the property level second. A Diamond property in a Diamond-dense market is a strong tax outcome. A Diamond property in a low-density market is a rare exception. And a formal cost segregation study after closing is what turns any prospecting estimate into a filed number.

1. Screen markets using this Study's Top 50 rankings and medal density. Rule out markets in the "did not make the cut" set unless there is a non-tax reason to be there.

2. Confirm state §168(k) conformity for the buyer's tax situation — federal deduction is intact everywhere; state benefit depends on state.

3. Verify property-level bonus depreciation potential on a specific listing before the offer using DepreciMax's $99 property report — the same estimation approach applied to a specific address.

4. Commission a formal cost segregation study post-closing to establish the IRS-defensible number that goes on the filed return.

READ THE UNDERLYING RESEARCH

The technical work behind each finding

Every finding in this Preview Edition is drawn from the DepreciMax STR Bonus Depreciation Market Study. The technical work behind each finding is published in the DepreciMax Research Library.

Study Methodology — Data Sources, Estimation Approach, and Calibration

The full technical documentation behind the Study — market selection, data inputs, per-listing estimation, and calibration against benchmark cost segregation studies.

DepreciMax Research Library

The full catalog of research publications, upcoming publications, and citation formats.

The National STR Bonus Depreciation Curve

The full weighted national distribution across 197 markets and 1,717 individually estimated listings, the state §168(k) conformity map, and the empirical basis for the Diamond / Gold / Silver / Bronze thresholds.

Famous STR Markets Where the Tax Math Doesn't Pencil

Full technical notes on all 147 famous STR markets that failed to clear the Bronze bonus depreciation threshold — with the specific failure mode for each market.

Evaluate a specific property

To evaluate a specific property's bonus depreciation potential against these market baselines, run a DepreciMax property report at **/report**. The **$99 report** applies the Study's estimation approach to a specific listing, using photo-level analysis of the property. Diamond on the Study should return ≥24% bonus-eligible on the full report.