

RENTAL PROPERTY WORKSHEET

To be used as a supplement to the intake sheet questionnaire

If you own property that you rent to another person or business, fill out this form and bring the requested items to your tax appointment. If you own more than one rental property, please fill out this form for each piece of property. The Ansbach Tax Assistance Office will prepare tax returns for clients with up to three rental properties. If you have more than three properties, please see the Officer in Charge.

When in doubt about whether to include property information, include the information and bring the supporting paperwork.

For the purpose of this form, we assume you operate on a cash basis. For instance, if on December 31, 2014 you receive rent to pay for the month of January 2015 that rent will be considered rent received in 2015 and declared as income for the 2015 tax year.

Property Address _____
(Street Address, City, State and Zip Code)

Type of Property: _____ Residential such as a house, apartment or condo
_____ Other: _____

When did the property first go into service as a rental? (mm/dd/yyyy) _____

If you are married, is this a jointly owned property? Yes No

If the property is located in a state with income tax, how do you normally file the state tax return? Resident or Non-Resident

Did you or your family use the property in 2014 for personal purposes after it became a rental property? Yes No If yes, the dates of use: _____

If 2014 is your first year for rental, determine how many days did you live in the property before it became a rental _____, how many days the property was rented _____, and how many days the property was available and ready for rental but empty _____.

INCOME

Did you take or return a security deposit in 2014? Yes No If yes, amount _____.
(If you intend to return the deposit, it will only be considered income if you keep all or part of it to cover damages.)
May your security deposit be used for first or last month's rent? Yes No

Total rent received in 2014 (excluding security deposit): _____
Bring Form 1099-MISC showing rents received, if available.

2014 EXPENSES (See definitions on the third page for asterisked items)

Advertising	\$ _____
Auto and Travel*	\$ _____
Cleaning and Maintenance	\$ _____
Commissions	\$ _____
Insurance	\$ _____
Legal and other professional fees	\$ _____
Management Fees	\$ _____
Mortgage interest paid (bring form 1098)	\$ _____
Other interest paid	\$ _____
Repairs **	\$ _____
Supplies	\$ _____
Taxes (e.g. property taxes)	\$ _____
Utilities	\$ _____
Other: _____	\$ _____
_____	\$ _____

COST BASIS FOR DEPRECIATION \$ _____

You recover your cost in income producing property through yearly tax deductions. You do this by depreciating the property; that is, by deducting some of the cost on your tax return each year.

To properly depreciate your rental property on Form 4562, we need to know the smaller of the adjusted cost basis of the property at the time it went into service as a rental or the fair market value of the property at the time it went into service as a rental. The cost basis of the home must be figured separately from the cost basis of the land the home sits on because land is not depreciated.

If you rented this property last year, this information can be found on your tax return. Please bring your 2013 tax return so we may review the Schedule E and 4562 Forms.

If you did not rent this property last year, you may be able to figure out the cost bases from tax assessment documents, a HUD1 closing statement and listing out improvements made to the property prior to treating the property as a rental. Many county assessors have purchase information and tax assessment information online.

If you have improved** the property since you began renting, we need either the previously filed 4562s showing the improvement OR information about the improvement (cost, date installed & exact nature of improvement). Each improvement is listed and depreciated separately.

HELPFUL DEFINITIONS FOR THE RENTAL PROPERTY WORKSHEET

* AUTO AND TRAVEL

You can deduct the ordinary and necessary expenses of traveling if the primary purpose of the trip was to collect rental income or to manage, conserve or maintain your rental property. You cannot deduct travel costs if the primary purpose of the trip was the improvement of your property. You must properly allocate your expenses between rental and non-rental activities.

Likewise, you can deduct your ordinary and necessary local transportation expenses if you incur them to collect rental income or to manage, conserve, or maintain your rental property. If you use your personal vehicle, you can either deduct actual expenses or use the standard mileage rate to determine the deduction.

**REPAIRS VS. IMPROVEMENTS

Repairs keep your property in good operating condition. They do not materially add to the value of your property or substantially prolong its life. Repainting your property inside or out, fixing gutters or floors, fixing leaks, plaster and replacing broken windows are examples of repairs. If you make repairs as part of an extensive remodeling or restoration of your property, the whole job is an improvement.

An improvement adds to the value of property, prolongs its useful life or adapts it to new uses. Improvements include: putting a recreation room in an unfinished basement, paneling a den, adding a bathroom or bedroom, putting decorative grillwork on a balcony, putting up a fence, new plumbing or wiring, new cabinets, carpeting a room, installing a new dishwasher or fridge, a new roof or paving a driveway. If you make an improvement to the property, the cost of the improvement must be capitalized. (Added to the net worth of the rental property.) Then the cost of the improvement can generally be depreciated as if the improvement were separate property.