

Rental Property Checklist

Property address: _____

Under the final regulations, a rental activity can qualify for the Qualified Business Income Deduction in one of three ways:

1) Code Section 162 trade or business:

- YES NO Did you participate on a regular, continuous, and substantial basis for the purpose of making a profit?
- YES NO Did you actively participate in the operation of the activity during the year?
- YES NO Did you spend more than 500 hours participating in the activity during the year?
- YES NO Are you the only one (including non-owners, contractors, etc.) who substantially provided services or managed the property?
- YES NO Did you spend more than 100 hours servicing or managing the property and no one else (including non-owners, contractors, etc.) spends more hours?
- YOU TENANT Who is responsible for paying for the property maintenance?
- YOU TENANT Who is responsible for paying the property taxes?
- YOU TENANT Who is responsible for paying the property insurance?
- YES NO Did you issue the required 1099s for services paid in excess of \$600 for the year?
- YES NO Did you or any family member use the rental property for personal purposes for more than 14 days or 10% of total days rented? Total days available for rent _____ Total days used personally _____

2) Meet the requirements of Notice 2019-07 rental safe harbor

- YES NO Did you spend at least 250 hours servicing or managing each property, or group of similar properties?
**You cannot combine residential and commercial rentals into groups of similar properties.*
- YES NO Did you keep separate, contemporaneous books and records for each rental, including time reports, logs or similar documents including the following: hours of services performed; description of all services performed; dates of services performed; and who performed the services?
**Rental services include the following: advertising to rent the property; negotiating and executing leases; verifying information contained in prospective tenant applications; collection of rent; daily operation, maintenance, and repair of the property; management of the real estate; purchases of materials; and supervision of employees and independent contractors.*
- YES NO Is your rental activity a triple net lease (tenant pays real estate tax, insurance, and maintenance costs)?

3) Rental activity is to a commonly controlled trade or business

- YES NO Is the property rented to a commonly controlled trade or business (but not a C corporation), commonly referred to as self-rental activities?
**Common control means that the same person or group of persons, directly or by attribution, owns 50% or more of each trade or business. Under family attribution rules, a person is considered to own an interest in a trade or business held by a spouse, child, grandchild, or parent.*

My signature below indicates that I have maintained the proper records and receipts and have evidence to support the deductions claimed.

Taxpayer signature _____

Date _____