

**Rental Property Income and Expenses  
Schedule E Worksheet**

GENERAL	
Address of Property	
Type of Property (i.e., two-family, single condo)	
Do you occupy any portion of the property?	
Percentage of total square footage rented out	
Percentage of total square footage you	

Revenue	
Total rent received	

Expenses		
Category	Direct Expense	Indirect Expense
Advertising		
Cleaning		
Maintenance		
Commissions		
Insurance (property and PMI)		
Legal & Professional Fees		
Management Fees		
Mortgage Interest paid to banks		
Other Interest		
Commissions		
Repairs (not including capital improvements)		
Supplies (not equipment or improvements)		
Taxes (i.e., real estate taxes)		
Utilities		
Condo or association fees		

Pest Control		
Telephone		
Other Expenses (specify: )		
Other Expenses (specify: )		
Other Expenses (specify: )		

► **Note: Direct vs. Indirect Expenses.**

If 100% of the property is rented, then list all expenses as direct expenses.

If the property is split between rental and non-rental portion, then expenses directly attributable to the rental portion only (like fixing a tenant's bathroom) are direct expenses, and other expenses, like mortgage interest and real estate taxes are indirect expenses.

► **Note re: Mandatory Activity Level for Rental Deductions**

In order to classify a property as a rental property (as opposed to a second home or vacation home or investment property), you must make an active effort to rent the property. This should be evidenced by receipts for advertising expenses or actual receipt of rent.

► **Note re: Capital Improvements & Installation of Equipment vs. Repairs and Supplies**

Repairs and supplies are day-to-day items that generally cost below \$500. For example, if you spent \$100 on a plumber to unclog a toilet, that is a repair. If you replaced the whole toilet, that is a capital improvement since it is expected to have a useful life of more than one year. Similarly, if you bought a box of tiles to replace cracked or water damaged tiles, that would qualify as supplies or repairs; but replacing an entire floor or installing a new carpet would be a capital improvement. General hardware items of low cost are supplies. Repairs and supplies are deducted in the year the expense is incurred; but capital improvements must be depreciated over their useful life.

Please list equipment purchases and other capital improvements done last year.

Capital Improvements		
Type of Equipment or Improvement	Date of Purchase	Cost of Improvement

► **Note re: Preparation of Property for Rental**

If you purchase a property and make repairs or improvements prior to rental, you must also "capitalize" all those costs (lump them together and depreciate over a period of year) instead of deducting them all that year.