

Landlord Tax Deduction Checklist

US residential rentals reported on Schedule E (Form 1040). Tick what applies to each property, then hand it to your tax preparer.

Deductible rental expenses (by Schedule E line)

- ☐ Advertising: listings, signs, screening-site fees **L5**
- ☐ Auto & travel: mileage at the IRS rate or actual costs, plus parking and tolls **L6**
- ☐ Cleaning & maintenance: turnover cleaning, lawn care, pest control **L7**
- ☐ Commissions: leasing or rental agent fees **L8**
- ☐ Insurance: landlord/dwelling policy, liability, flood **L9**
- ☐ Legal & professional: rental tax prep, attorney, eviction fees **L10**
- ☐ Management fees: property manager **L11**
- ☐ Mortgage interest paid to banks (Form 1098) **L12**
- ☐ Other interest: private loans, credit cards used for the rental **L13**
- ☐ Repairs: keep the property working (fix a leak, a lock, patch drywall) **L14**
- ☐ Supplies: smoke detectors, filters, light bulbs, small tools **L15**
- ☐ Property taxes on the rental **L16**
- ☐ Utilities you pay (water, trash, gas, electric) and rental phone use **L17**
- ☐ Depreciation: building over 27.5 years; improvements on their own schedules **L18**
- ☐ Other: HOA dues, bank fees, software, licenses, loan points (amortized) **L19**

Easy to miss

- ☐ Mileage for showings, inspections and supply runs (keep a log)
- ☐ Rental-related travel away from home (50% of meals)
- ☐ Tenant screening, background checks and credit reports
- ☐ Points and loan costs, spread over the life of the loan
- ☐ Expenses while the unit is vacant but *available* for rent

Not deductible (or not all at once)

- ☐ Mortgage **principal**: only the interest is deductible
- ☐ **Improvements** (new roof, HVAC system, remodel): capitalize and depreciate
- ☐ Land: never depreciated
- ☐ The value of your own labor
- ☐ Personal-use share of a property you also use yourself
- ☐ Security deposits you plan to return (not income either)

Count as rental income

- ☐ Rent, including **advance rent** in the year you receive it
- ☐ Late fees, pet rent and other fees
- ☐ Deposits you **keep** (in the year you keep them)
- ☐ Expenses the tenant pays for you, and services received instead of rent (fair market value)

Key numbers to know

2026 business mileage: 72.5¢/mile (Jan 1–Jun 30), 76¢ (Jul 1–Dec 31). 2025: 70¢.

De minimis safe harbor: items up to \$2,500 per invoice/item can be expensed (annual election).

Small taxpayer safe harbor: building basis ≤ \$1M → repairs + improvements up to the lesser of 2% of basis or \$10,000 can be expensed.

Depreciation: 27.5-year straight line, mid-month convention (Pub 946).

Passive losses: up to \$25,000 allowance with active participation, phased out between \$100k and \$150k MAGI (Pub 925, Form 8582).

Records to keep

- ☐ Receipts, invoices, bank statements, Form 1098, leases, mileage log
- ☐ Purchase closing statement and improvement receipts, until the limitation period ends for the year you sell

Free calculators: rental cash flow, DSCR, BRRRR, 27.5-year depreciation and more at landlord-numbers.pages.dev

Do this all year automatically: the **Rental Property Tracker** (\$19) maps every expense to its Schedule E line and calculates depreciation and mileage. landlord-numbers.pages.dev/rental-property-tracker/

Sources: IRS Instructions for Schedule E (Form 1040); Pub 527 (Residential Rental Property); Pub 946 (How To Depreciate Property); Pub 925 (Passive Activity and At-Risk Rules); Treas. Reg. §1.263(a)-1(f) and -3(h); IRS standard mileage rates (Announcement 2026-11). General information, not tax advice. Rules change; confirm with a qualified tax professional. © 2026 Landlord Numbers, operated by BayouSocialCo LLC.