

2019

1040

US

Rental & Royalty Income (Schedule E)

No.

18

Please enter all pertinent 2019 amounts. Last year's amounts are provided for your reference.

GENERAL INFORMATION

	2019 Amount	2018 Amount
Description of property.....		Type of Property 1 = Single Family Residence 2 = Multi-Family Residence 3 = Vacation/Short-Term Rental 4 = Commercial 5 = Land 6 = Royalties 7 = Self-Rental
Street address.....		
City.....		
State.....		
ZIP code.....		
Type of property (see table)....		
Other type of property.....		
Number of days rented.....		

Percentage of ownership if not 100% (.xxxx).....		1=did not actively participate... ..	
Percentage of tenant occupancy if not 100% (.xxxx).....		1=real estate professional.....	
1=spouse, 2=joint.....		1=rental other than real estate.....	
1=qualified joint venture.....		1=investment.....	
1=nonpassive activity, 2=passive royalty.....		1=single member limited liability company.....	
If required to file Form(s) 1099, did you or will you file all required Form(s) 1099: 1=yes, 2=no.....			

INCOME

	2019 Amount	2018 Amount
Rents or royalties received.....		

DIRECT EXPENSES

NOTE: Direct expenses are related only to the rental activity. These include rental agency fees, advertising, and office supplies.

Advertising.....		
Association dues.....		
Auto and travel (not entered elsewhere).....		
Cleaning and maintenance.....		
Commissions.....		
Gardening.....		
Insurance.....		
Legal and professional fees.....		
Licenses and permits.....		
Management fees.....		
Miscellaneous.....		
Mortgage interest (paid to banks, etc.).....		
Qualified mortgage insurance premiums.....		
Excess mortgage interest.....		
Other interest (not entered elsewhere).....		
Painting and decorating.....		
Pest control.....		
Plumbing and electrical.....		
Repairs.....		
Supplies.....		
Taxes - real estate.....		
Taxes - other (not entered elsewhere).....		
Telephone.....		
Utilities.....		
Wages and salaries.....		
Other:		

NOTE: If you purchased or disposed of any business assets, please complete Sheet 22.

18

Please enter all pertinent 2019 amounts. Last year's amounts are provided for your reference. The indirect expense column should only be used for vacation homes or less than 100% tenant occupied rentals.

GENERAL INFORMATION

Foreign region	
Foreign postal code	
Foreign country	

OIL AND GAS

	2019 Amount	2018 Amount
Production type (preparer use only)		
Cost depletion		
Percentage depletion rate or amount		
State cost depletion, if different (-1 if none)		
State % depletion rate or amount, if different (-1 if none)		

PERSONAL USE OF DWELLING UNIT (INCLUDING VACATION HOME)

Number of days personal use	
Number of days owned (if optional method elected)	

INDIRECT EXPENSES

NOTE: Indirect expenses are related to operating or maintaining the dwelling unit. These include repairs, insurance, and utilities.

Advertising		
Association dues		
Auto and travel (not entered elsewhere)		
Cleaning and maintenance		
Commissions		
Gardening		
Insurance		
Legal and professional fees		
Licenses and permits		
Management fees		
Miscellaneous		
Mortgage interest (paid to banks, etc.)		
Qualified mortgage insurance premiums		
Excess mortgage interest		
Other interest (not entered elsewhere)		
Painting and decorating		
Pest control		
Plumbing and electrical		
Repairs		
Supplies		
Taxes - real estate		
Taxes - other (not entered elsewhere)		
Telephone		
Utilities		
Wages and salaries		
Other:		

VEHICLE DEDUCTIONS

If you use your vehicle for self-employment, rental property management, or unreimbursed employment* purposes, you may be able to receive a deduction for your expenses. Please use the pages in the organizer to provide the relevant information. If this is a new factor in your tax situation, contact Lotts and we will provide a worksheet supplement.

There are two possible ways to claim a mileage deduction – Standard Mileage or Actual Expense. What follows is intended to clarify which information is necessary depending on the type of deduction you will claim.

Standard Mileage Deduction

- A. Make/Model/Year of Vehicle
- B. Total number of miles driven during 2019
- C. Number of business/rental/work miles in 2019 (by activity)
- D. Number of commuting miles during 2019
(Commuting is the routine round trip between home and your place of work, which is not deductible)
- E. Amount paid to license the vehicle (if possible, provide the copy of the registration that includes taxes & fees)
- F. Amount of interest paid on an auto loan (if applicable)
- G. The date the car was placed in business service AND its fair market value at that time

Actual Expense

- A. Make/Model/Year of Vehicle
- B. Total number of miles driven on it during 2019
- C. Number of business/rental/work miles in 2019 (by activity)
- D. Number of commuting miles during 2019
(Commuting is the routine round trip between home and your place of work, which is not deductible)
- E. Amount paid to license the vehicle (if possible, provide the copy of the registration that includes taxes & fees)
- F. Amount of interest paid on an auto loan (if applicable)
- G. The date the car was placed in business service AND its fair market value at that time
- H. Vehicle operating expenses during 2019 including:
 - gasoline
 - oil change costs
 - repairs and maintenance
 - insurance,
 - miscellaneous (car wash, AAA membership, etc.)
- I. Vehicle lease payments during 2019 (if applicable)

The Actual Expense deduction requires greater recordkeeping and time, but may result in a larger deduction, especially if you have a newer car, lease your vehicle and/or drive a low number of miles of which a high proportion are work related. You may choose to provide only the information needed to take the Standard Deduction.

If you would like to retain the option to compare the two methods each year, you MUST use the Standard Deduction the first year that vehicle appears on your tax return.

A few tips when considering taking a mileage deduction:

- If you use multiple cars for work and/or have multiple sources of self-employment income, all of the information listed above must be broken down to the specific vehicle for the specific activity. This also applies if you start using a different vehicle part way through the year; the details need to be specific to each vehicle, and the date of the switch is an important piece of information.
- When choosing between the two reporting options, the standard mileage deduction is a prudent choice for many taxpayers. The onus of record-keeping is much lower, which means there is less time involved for both you the taxpayer and (often) billable time for tax prep at Lotts.

You are expected to have contemporaneous documentation to support either type of mileage deduction. This includes a mileage log and relevant receipts/statements.

* Unreimbursed expenses incurred as an employee are no longer deductible on the Federal tax return. However, they may be considered a possible deduction for Minnesota and other states.

Please enter all pertinent 2019 amounts. Last year's amounts are provided for your reference.

GENERAL INFORMATION

	2019 Amount	2018 Amount
Description of vehicle.....		
1=no evidence to support your deduction.....		
1=no written evidence to support your deduction.....		
1=vehicle is available for off-duty personal use.....		
1=no other vehicle is available for personal use.....		
1=vehicle used primarily by more than 5% owner.....		
Number of months of business use if changed from 100% personal use.....		

AUTOMOBILE MILEAGE

Total mileage (for the tax year).....		
Business mileage.....		
Commuting mileage (for the tax year).....		
Average daily round-trip commute.....		

ACTUAL EXPENSES

Parking fees and tolls (business portion only).....		
Gasoline, lube, oil.....		
Repairs.....		
Tires.....		
Insurance.....		
Miscellaneous.....		
Auto license (other than personal property taxes).....		
Personal property taxes (based on car's value).....		
Interest (car loan) (for Schedule C, E & F).....		
Vehicle rent or lease payments.....		
Inclusion amount (enter as positive).....		
Value of employer-provided vehicle on Form W-2 (2106).....		

On the sheet entitled "Asset Acquisition" include the following information about your vehicle(s):

- * Make, model, year
- * purchase date
- * purchase price