

# Schedule E Supplemental Income and Loss - Due Diligence Worksheet

Keep for your records



## Section I.

Name \_\_\_\_\_ SSN/EIN \_\_\_\_\_

1. Is this a first year rental property? Y/N  
 If **No**, can you provide your previously filed tax return?\* Y/N

*\*Please provide previous year tax return to reconcile any depreciation or other expenses.*

2. Please select the 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
  - 8. Other (describe)

3. Did you receive Form(s) 1099NEC or 1099K for the income reported? Y/N  
 A. If, you did NOT receive Form(s) 1099NEC/1099K, can you provide proof of income, if requested Y/N  
 B. If question 2 is NO, please explain business income received.

Property Address	Rents Received	# of Days Rented	# of Days - Personal Use
	\$		
	\$		
	\$		
	\$		

4. Are any of your rental properties rented to related parties (family members)? Y/N
5. Is a license a requirement of your occupation? Y/N  
 A. Do you have a business license? Y/N

6. What type of records do you maintain to verify business income and expenses?

Check all that apply

- Accounting Records
- Paid Invoices/Receipts
- Advertising
- Books
- Others (please specify) \_\_\_\_\_
- Computer Records
- Business Stationery
- Business Bank Accounts
- Insurance

7. Do you have any expenses? Y/N  
 A. If NO, please explain. \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

8. How many hours do you materially participate with regards to your rental properties? \_\_\_\_\_  
*\*According to the IRS regulations concerning the QBID deduction, you must perform 250 or more hours of "rental services" each year. The 250 hours of rental services can be performed by owners, employees, agents, or independent contractors.*

9. Have you ever depreciated a business asset? Y/N  
 A. If YES, provide prior year tax return (contact CTTS for assistance)

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10. Check only one option from below

- A. Taxpayer did NOT provide documentation to support his/her deduction (must complete Section II).  
 B. Taxpayer DID provide documentation to support his/her deduction (keep a copy in your file).  
*Skip Section II, and complete Section III.*

## Section II.

If Line 10, option A is checked, then this section MUST be completed during the interview with the taxpayer.

11.

Income		
1.	Total rents received	\$
2.	Royalties Received	\$
3.	<b>Total Income (add lines 1 through 2)</b>	\$
Expenses		
5.	Advertising	\$
6a.	Mileage	\$
6b.	Travel expenses	\$
7.	Cleaning & maintenance	\$
8.	Commissions	\$
9.	Insurance	\$
10.	Legal & professional fees	\$
11.	Management fees	\$
12.	Mortgage interest	\$
13.	Other interest	\$
14.	Repairs	\$
15.	Supplies	\$
16.	Taxes	\$
17.	Utilities	\$
18.	Depreciation expense	\$
19.	Other (be specific)	\$
20.		\$
21.		\$
22.	<b>Total Expenses (add lines 5 through 21)</b>	\$
	<b>NET Profit/Loss (subtract line 22 from line 3)*</b>	\$

\*Amount must be equal to Line 26 of the Schedule E

In order to comply with the IRS guidelines in Circular 230, tax preparers may reasonably reconstruct a taxpayer's income & expenses for the tax year. By signing below, I agree that the information provided is neither inconsistent, incorrect, or incomplete.

\_\_\_\_\_  
Taxpayer's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Preparer's Signature

\_\_\_\_\_  
Date