

## **Attention: Rental Property Owners**

Recently passed with the 2018 Tax Cut and Jobs Act is clarification for rental property owners. Some rentals may be eligible for a 20% Qualified Business Income Tax Deduction (QBI).

### **What does Qualify:**

Rental properties leased to owners (self-rentals)  
Rental property owners that pass the Safe Harbor Test (discussed below)

### **What does not Qualify:**

Rental properties with a triple net lease  
Rental property owners that do not pass the Safe Harbor Test (discussed below)

### **SAFE HARBOR TEST:**

1. Separate books and records are maintained
2. Must perform 250 hours of rental services per year
3. Must maintain contemporaneous records - hours, descriptions, dates of services performed

Taxpayers who claim to meet the Safe Harbor Test will need to sign this statement and attach it to their tax return:

"Under penalties of perjury, I (we) declare that I (we) have examined the statement, and to the best of my (our) knowledge and belief, the statement contains all the relevant facts relating to the revenue procedure, and such facts are true, correct, and complete".