The total square footage of Spencer's house is 1,600 square feet, and the rental portion totals 400 square feet.

During the tax year he received $6,000 in rent. His expenses were:

- $600 to repaint and clean just the tenant's room
- $800 in mortgage interest
- $1,200 in property taxes
- $440 for household utilities, excluding phone
- $360 for the first phone line

Complete lines 3 through 22 of Spencer's Schedule E.

Without closing the PDF window, return to the lesson screen and click Check My Answer.

SCHEDULE E (Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Supplemental Income and Loss

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

▶ **Attach to Form 1040 or Form 1041.** ▶ **See Instructions for Schedule E (Form 1040).**

OMB No. 1545-0074

2005

Attachment Sequence No. **13**

Name(s) shown on return

Your social security number

Part I **Income or Loss From Rental Real Estate and Royalties** **Note.** If you are in the business of renting personal property, use **Schedule C** or **C-EZ** (see page E-3). Report farm rental income or loss from **Form 4835** on page 2, line 40.

1 List the type and location of each **rental real estate property:**

A 400 sqr ft of 1,600 sqr ft home

B

C

2 For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of:
- 14 days **or**
- 10% of the total days rented at fair rental value?

(See page E-3.)

	Yes	No
A		✔
B		
C		

		Properties A	Properties B	Properties C		Totals (Add columns A, B, and C.)
Income:						
3 Rents received	3				3	
4 Royalties received	4				4	
Expenses:						
5 Advertising	5					
6 Auto and travel (see page E-4)	6					
7 Cleaning and maintenance	7					
8 Commissions	8					
9 Insurance	9					
10 Legal and other professional fees	10					
11 Management fees	11					
12 Mortgage interest paid to banks, etc. (see page E-4)	12				12	
13 Other interest	13					
14 Repairs	14					
15 Supplies	15					
16 Taxes	16					
17 Utilities	17					
18 Other (list) ▶	18					
19 Add lines 5 through 18	19				19	
20 Depreciation expense or depletion (see page E-4)	20				20	
21 Total expenses. Add lines 19 and 20	21					
22 Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see page E-4 to find out if you must file **Form 6198**	22					
23 Deductible rental real estate loss. **Caution.** Your rental real estate loss on line 22 may be limited. See page E-4 to find out if you must file **Form 8582.** Real estate professionals must complete line 43 on page 2	23	( )	( )	( )		
24 **Income.** Add positive amounts shown on line 22. **Do not** include any losses					24	
25 **Losses.** Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here					25	( )
26 **Total rental real estate and royalty income or (loss).** Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17. Otherwise, include this amount in the total on line 41 on page 2					26	

Proof as of June 10, 2005 (Subject to Change)