

## KEY TAKEAWAYS

Rental property owners use depreciation to deduct the purchase price and improvement costs from your tax returns.

Depreciation commences as soon as the property is placed in service or available to use as a rental. .

(Use current market value ~ not original purchase price)

By convention, most U.S. residential rental property is depreciated over 27.5 years. .

Only the value of buildings can be depreciated; you **cannot** depreciate land. .

### GENERAL DEPRECIATION PERIODS:

House/Building (only - not land)	27.5 years
Furniture:	7 years
Rental Furnishings:	5 years
General Purpose Tools, Machinery, Equipment:	7 years
Land Improvements:	15 years

### Examples:

Sofa's, tables, furniture, etc.  
 Ceiling fans, light fixtures, raised beds, etc.  
 Faucets, carpeting, flooring, etc.  
 Grading, driveway, landscaping trees and shrubery

### ASSET ENTRY WORKSHEET

Description of asset:	_____
Date Acquired/placed in service:	_____
Cost (or basis):	_____
Type of asset:	_____

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