

Every Tax Deduction Your Rental Property Qualifies For

Most landlords claim 5-6 deductions. There are 23. This checklist covers every one the IRS allows — including the biggest one most investors miss entirely.

The average rental property owner leaves \$15,000-\$40,000 in Year 1 deductions unclaimed by using only straight-line depreciation. Cost segregation is the single largest missed deduction for landlords.

OPERATING EXPENSES (ANNUAL)

- | | |
|--|---|
| <input type="checkbox"/> 1. Mortgage interest | <input type="checkbox"/> 6. Utilities (if landlord-paid) |
| <input type="checkbox"/> 2. Property taxes | <input type="checkbox"/> 7. Advertising & listing fees |
| <input type="checkbox"/> 3. Property insurance (landlord policy) | <input type="checkbox"/> 8. Legal & professional fees (attorney, CPA) |
| <input type="checkbox"/> 4. Property management fees | <input type="checkbox"/> 9. Accounting & bookkeeping software |
| <input type="checkbox"/> 5. HOA dues | |

REPAIRS & MAINTENANCE

- | | |
|--|---|
| <input type="checkbox"/> 10. Routine repairs (plumbing, electrical, appliance fixes) | <input type="checkbox"/> 13. Snow removal |
| <input type="checkbox"/> 11. Pest control | <input type="checkbox"/> 14. Cleaning between tenants |
| <input type="checkbox"/> 12. Landscaping & lawn care | |

TRAVEL & AUTO

- | |
|---|
| <input type="checkbox"/> 15. Mileage to/from property (IRS rate: 70¢/mile for 2025) |
| <input type="checkbox"/> 16. Travel expenses for out-of-state properties (airfare, hotel, meals at 50%) |

DEPRECIATION (THE BIG ONE)

17. Standard depreciation (27.5-year straight-line)

The baseline. Your CPA files this automatically every year. Spreads the building cost evenly over 27.5 years.

EVERYONE CLAIMS THIS

18. Cost segregation (5/7/15-year accelerated)

Reclassifies 20-40% of your building into shorter-life components. Dramatically increases Year 1 deductions.

MOST LANDLORDS MISS THIS

19. Bonus depreciation (100% Year 1 under OBBBA 2025+)

The One Big Beautiful Bill Act permanently restored 100% first-year bonus. All reclassified components are fully deductible in Year 1.

100% RESTORED — NEW LAW

OTHER DEDUCTIONS

- | | |
|--|---|
| <input type="checkbox"/> 20. Closing costs (title insurance, recording fees, transfer taxes) | <input type="checkbox"/> 22. Home office deduction (if you manage from home) |
| <input type="checkbox"/> 21. Startup costs (pre-rental expenses up to \$5,000) | <input type="checkbox"/> 23. Casualty & theft losses (subject to limitations) |

THE DEPRECIATION DEEP DIVE

Why Depreciation Is Your Biggest Lever

	Standard Only	With Cost Seg
Year 1 Deduction (\$500K property)	\$14,545	\$100,000 - \$140,000
Year 1 Tax Savings (37%)	\$5,382	\$37,000 - \$52,000
ROI on \$795 Study	N/A	47x - 65x

AVOID THESE

Common Mistakes Landlords Make

- 1 Only claiming standard depreciation**
 This is the default. Your CPA files it automatically. But it leaves 70-80% of available Year 1 deductions on the table.
- 2 Not tracking repair vs. improvement**
 Repairs are fully deductible in the year incurred. Improvements must be capitalized and depreciated. The distinction matters.
- 3 Forgetting to depreciate improvements separately**
 New roof, HVAC, kitchen remodel — each should be depreciated on its own schedule, not lumped into the building.
- 4 Waiting too long to do a cost seg study**
 You can do a lookback study on any property you already own via Form 3115. Every year you wait is money left on the table.

About Cost Seg Smart

CPA-Ready Guarantee: Every report is designed for direct filing by your CPA — Form 4562 or Form 3115 (lookback). If your CPA has questions, we resolve them at no extra cost.

Methodology: Engineering-based analysis using RSMeans cost data, IRS MACRS schedules (Rev. Proc. 87-56), and Audit Techniques Guides. 30+ page reports with component-level depreciation schedules.

Pricing: Studies from \$795. Delivered in under 1 hour. No site visit required.

See your exact depreciation breakdown in 60 seconds

costsegsmart.com — no email or signup required

Free Estimate