

# Owner's Guide to Preparing for Tax Season

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This guide will help our owners be prepared for filing their tax returns, whether they do it themselves or with the help of a tax professional. We at Focus Real Estate Property Management are not tax professionals and this should not be construed as tax advice. If you have tax-related questions or concerns, please consult a tax professional.

To prepare your taxes you will need information that we'll provide right after year end as well as some expense information that you'll track on your end.

## **Information that we provide after year end:**

*Annual Income Statement* – Shortly after year end, we'll provide you with an annual Income Statement for the previous year. It will show you all rents received, all flat rate utility fee income and any expenses that we paid on your behalf. These expenses are typically maintenance expenses and our management fees.

*IRS Form 1099* – Shortly after year end, we'll also provide you with an IRS Form 1099 for the previous year. The IRS requires that we provide you with this document and send them a copy as well.

## **Information that you'll need to provide for your tax return preparation:**

In addition to the information we provide above, there are likely expenses related to your property that we don't know about because we aren't paying them for you. You'll need to provide these expenses to your tax professional to make sure they are accounted for when they calculate the net income you earned on your rental property.

These expenses typically include items such as:

*HOA fees*

*Water bills*

*Trash/recycle bills*

*Sewer bills*

*Property taxes*

*Mortgage interest*

*Property insurance bills*

*Repair expenses that were made by you directly*

Please work directly with your tax professional to prepare your tax return. If you have questions related to the information we provided (the Annual Income Statement and the IRS Form 1099) please let us know.