

**SCHEDULE E
(Form 1040)**

Department of the Treasury
Internal Revenue Service

Name(s) shown on return

Supplemental Income and Loss

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

Attach to Form 1040, 1040-SR, 1040-NR, or 1041.

Go to www.irs.gov/ScheduleE for instructions and the latest information.

OMB No. 1545-0074

2023

Attachment
Sequence No. **13**

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**. See instructions. If you are an individual, report farm rental income or loss from **Form 4835** on page 2, line 40.

- A** Did you make any payments in 2023 that would require you to file Form(s) 1099? See instructions **Yes** **No**
B If "Yes," did you or will you file required Form(s) 1099? **Yes** **No**

1a Physical address of each property (street, city, state, ZIP code)

A	
B	
C	

1b Type of Property (from list below)	2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.	Fair Rental Days		Personal Use Days	QJV
		A	B		<input type="checkbox"/>
A					<input type="checkbox"/>
B					<input type="checkbox"/>
C					<input type="checkbox"/>

Type of Property:

- 1 Single Family Residence 3 Vacation/Short-Term Rental 5 Land 7 Self-Rental
 2 Multi-Family Residence 4 Commercial 6 Royalties 8 Other (describe) _____

Income:	Properties:		
	A	B	C
3 Rents received	3		
4 Royalties received	4		
Expenses:			
5 Advertising	5		
6 Auto and travel (see instructions)	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 instructions)	12		
13 Other interest	13		
14 Repairs	14		
15 Supplies	15		
16 Taxes	16		
17 Utilities	17		
18 Depreciation expense or depletion	18		
19 Other (list) _____	19		
20 Total expenses. Add lines 5 through 19	20		
21 Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21		
22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	()	()
23a Total of all amounts reported on line 3 for all rental properties	23a		
b Total of all amounts reported on line 4 for all royalty properties	23b		
c Total of all amounts reported on line 12 for all properties	23c		
d Total of all amounts reported on line 18 for all properties	23d		
e Total of all amounts reported on line 20 for all properties	23e		
24 Income. Add positive amounts shown on line 21. Do not include any losses	24		
25 Losses. Add royalty losses from line 21 and rental real estate losses from line 22. 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, and IV, and line 40 on page 2 do not apply to you, also enter this amount on Schedule 1 (Form 1040), line 5. Otherwise, include this amount in the total on line 41 on page 2	26		

Rental Income Worksheet						
Principal Residence, 2- to 4-unit Property: Monthly Qualifying Rental Income						
Documentation Required:			Address of Principal Residence:			
<ul style="list-style-type: none"> Schedule E (IRS Form 1040) OR Lease Agreement or Fannie Mae Form 1007 or Form 1025 			Enter	Rental Unit	Rental Unit	Rental Unit
Step 1. When using Schedule E, determine the number of months the property was in service by dividing the Fair Rental Days by 30. <i>If Fair Rental Days are not reported, the property is considered to be in service for 12 months unless there is evidence of a shorter term of service.</i>						
Step 1. Result: The number of months the property was in service:			Result			
Step 2. Calculate monthly qualifying rental income using Step 2A: Schedule E OR Step 2B: Lease Agreement or Fannie Mae Form 1025.						
Step 2 A. Schedule E - Part I For each property complete ONLY 2A or 2B						
A1	Enter total rents received (from the non-owner-occupied units). <i>May enter rent from individual unit(s) or combine.</i>	Enter				
A2	Subtract total expenses.	Subtract				
A3	Add back insurance expense.	Add				
A4	Add back mortgage interest paid.	Add				
A5	Add back tax expense.	Add				
A6	Add back homeowners' association dues. <i>This expense must be specifically identified on Schedule E in order to add it back.</i>	Add				
A7	Add back depreciation expense or depletion.	Add				
A8	Add back any one-time extraordinary expense (e.g., casualty loss). <i>There must be evidence of the nature of the one-time extraordinary expense.</i>	Add				
	Equals adjusted rental income.	Total	0	0	0	
A9	Divide by the number of months the property was in service (Step 1 Result).	Divide	0	0	0	
Step 2A. Result: Monthly qualifying rental income (or loss):			Result	0	0	0
Step 2B. Lease Agreement OR Fannie Mae Form 1025 For each property complete ONLY 2A or 2B						
This method is used when the transaction is a purchase, the property was acquired subsequent to the most recent tax filing.						
B1	Enter the gross monthly rent (from the lease agreement) or market rent (from Form 1025) for the applicable rental unit	Enter				
B2	Multiply gross monthly rent or market rent by 75% (.75). <i>The remaining 25% accounts for vacancy loss, maintenance, and management expenses.</i>	Multiply	x.75	x.75	x.75	
	Equals monthly rental income per unit	Total	0	0	0	
B3	Combine the monthly rental income of all non-owner-occupied rental units (up to a maximum of 3 rental units since rental income is not eligible on the unit occupied by the borrower).	Add		0		
Step 2B. Result: Monthly qualifying rental income:			Result	0		
Step 3. Determine the qualifying impact using the combined result of Step 2A or Step 2B.						
3A	Add the monthly qualifying rental income to the borrower's monthly qualifying income.			0		
3B	Identify the full amount of the PITIA as the borrower's primary housing expense and include it in the debt-to-income ratio. <i>Use proposed PITIA when the subject property; existing PITIA when not the subject property.</i>					
DU Data Entry	Monthly Income and Combined Housing Expenses		Mortgage Liabilities			
Subject Property	Enter the amount of the monthly qualifying income "Subject Net Cash."		Include as the borrower's primary housing expense. For refinance transactions, identify the mortgage as a subject property lien.			
Non-Subject Property	Enter the amount of the monthly qualifying income "Net Rental."		Include as the borrower's primary housing expense.			

Refer to the Rental Income topic in the Selling Guide for additional guidance.

Rental Income Worksheet						
Individual Rental Income from Investment Property(s): Monthly Qualifying Rental Income (or Loss)						
Documentation Required:		Enter	Investment	Investment	Investment	Investment
<ul style="list-style-type: none"> Schedule E (IRS Form 1040) OR Lease Agreement or Fannie Mae Form 1007 or Form 1025 			Property Address	Property Address	Property Address	Property Address
Step 1. When using Schedule E, determine the number of months the property was in service by dividing the Fair Rental Days by 30. <i>If Fair Rental Days are not reported, the property is considered to be in service for 12 months unless there is evidence of a shorter term of service.</i>						
Step 1. Result: Enter the number of months the property was in service:		Result				
Step 2. Calculate monthly qualifying rental income (loss) using Step 2A: Schedule E OR Step 2B: Lease Agreement or Fannie Mae Form 1007 or Form 1025.						
Step 2A. Schedule E - Part I			For each property complete ONLY 2A or 2B			
A1	Enter total rents received.	Enter				
A2	Enter total expenses.	Subtract				
A3	Enter insurance expense.	Add				
A4	Enter mortgage interest paid.	Add				
A5	Enter tax expense.	Add				
A6	Enter homeowners' association dues. <i>This expense must be specifically identified on Schedule E in order to add it back.</i>	Add				
A7	Enter depreciation expense or depletion.	Add				
A8	Enter any one-time extraordinary expense (e.g., casualty loss). <i>There must be evidence of the nature of the one-time extraordinary expense.</i>	Add				
	Equals adjusted rental income.	Total	0	0	0	0
A9	Enter the number of months the property was in service (Step 1 Result).	Divide	0	0	0	0
	Equals adjusted monthly rental income	Total	0	0	0	0
A10	Enter proposed PITIA (for subject property) or existing PITIA (for non-subject property).	Subtract				
Step 2A. Result: Monthly qualifying rental income (or loss):		Result	0	0	0	0
Step 2B. Lease Agreement OR Fannie Mae Form 1007 or Form 1025 For each property complete ONLY 2A or 2B						
This method is used when the transaction is a purchase, the property was acquired subsequent to the most recent tax filing, or the lender has justification for using a lease agreement.						
B1	Enter the gross monthly rent (from the lease agreement) or market rent (reported on Form 1007 or Form 1025). <i>For multi-unit properties, combine gross rent from all rental units.</i>	Enter				
B2	<i>The remaining 25% accounts for vacancy loss, maintenance, and management expenses.</i>	Multiply	x.75	x.75	x.75	x.75
	Equals adjusted monthly rental income.	Total	0	0	0	0
B3	Enter proposed PITIA (for subject property) or existing PITIA (for non-subject property).	Subtract				
Step 2B. Result: Monthly qualifying rental income (loss):		Result	0	0	0	0
Step 3. Determine the qualifying impact using the result of Step 2A or Step 2B.						
If the result of Step 2A or 2B is positive , add the positive amount to the borrower's monthly qualifying income. <i>Because the PITIA expense was included in the calculations above, do not add it to the debt-to-income (DTI) ratio.</i>						
If the result of Step 2A or 2B is negative , include the amount of the loss in the borrower's monthly expenses when calculating the DTI ratio.						
DU Data Entry	Monthly Income and Combined Housing Expenses	Mortgage Liabilities				
Subject Property	Enter the amount of the monthly qualifying income (positive result) or monthly qualifying loss (negative result) in "Subject Net Cash."	For refinance transactions, identify the mortgage as a subject property lien.				
Non-Subject Property	Enter the amount of the monthly qualifying income (positive result) or monthly qualifying loss (negative result) in "Net Rental."	Identify the mortgage as a rental property lien.				

Refer to the Rental Income topic in the Selling Guide for additional guidance.

Rental Income Worksheet						
Business Rental Income from non-subject Investment Property(s): Qualifying Impact of Mortgaged Investment Property PITIA Expense						
Documentation Required: ▪ IRS Form 8825 (filed with either IRS Form 1065 or 1120S) OR ▪ Lease Agreement		Enter	Property Address	Property Address	Property Address	Property Address
Enter the mortgagee and the mortgage loan account number.		Enter	Mortgagee/#	Mortgagee/#	Mortgagee/#	Mortgagee/#
Step 1. When using IRS Form 8825, determine the number of months the property was in service by dividing the Fair Rental Days by 30. <i>If Fair Rental Days are not reported, the property is considered to be in service for 12 months unless there is evidence of a shorter term of service.</i>						
Step 1. Result: Enter The number of months the property was in service:		Result				
Step 2. Calculate monthly property cash flow using Step 2A: IRS Form 8825 OR Step 2B: Lease Agreement.						
Step 2A. IRS Form 8825 (IRS Form 1065 or 1120S)			For each property complete ONLY 2A or 2B			
A1	Enter gross rents received.	Enter				
A2	Enter total expenses.	Subtract				
A3	Enter insurance expense.	Add				
A4	Enter mortgage interest paid.	Add				
A5	Enter tax expense.	Add				
A6	Enter homeowners' association dues. <i>This expense must be specifically identified on Form 8825 in order to add it back.</i>	Add				
A7	Enter depreciation expense or depletion.	Add				
A8	Enter any one-time extraordinary expense (e.g., casualty loss). <i>There must be evidence of the nature of the one-time extraordinary expense.</i>	Add				
	Equals adjusted rental income.	Total	0	0	0	0
A9	The number of months the property was in service (Step 1 Result).	Divide	0	0	0	0
	Equals adjusted monthly rental income	Total	0	0	0	0
A10	Enter PITIA (for non-subject property).	Subtract				
Step 2A. Result: Monthly property cash flow:		Result	0	0	0	0
Step 2B. Lease Agreement			For each property complete ONLY 2A or 2B			
<i>This method is used in certain circumstances (e.g., when the property was acquired subsequent to the most recent tax filing or the lender has justification for using a lease agreement).</i>						
B1	Enter the gross monthly rent (from the lease agreement) <i>For multi-unit properties, combine the monthly qualifying income of all rental units.</i>	Enter				
B2	<i>The remaining 25% accounts for vacancy loss, maintenance, and management expenses.</i>	Multiply	x.75	x.75	x.75	x.75
	Equals adjusted monthly rents.	Total	0	0	0	0
B3	Enter proposed PITIA (for subject property) or existing PITIA (for non-subject property).	Subtract				
Step 2B. Result: Monthly property cash flow:		Result	0	0	0	0
Step 3. Determine qualifying impact of the mortgaged investment property PITIA expense.						
If the result of Step 2A or 2B is negative , include this loss, not to exceed the monthly PITIA expense, in the debt-to-income ratio.						
If the result of Step 2A or 2B is positive, the full amount of the PITIA expense has been offset. Do not include it in the debt-to-income ratio..						
Important: This worksheet provides a means of calculating an offset to the monthly PITIA. To add any net income to the borrower's qualifying income, additional requirements apply (e.g., two-year history vs. one-year history). Refer to the Self-Employment Income topic in the Selling Guide.						
DU Data Entry	Monthly Income and Combined Housing Expenses	Mortgage Liabilities		Real Estate Owned		
Non-Subject Property	Enter the amount of the negative monthly property cash flow in "Net Rental." If the monthly property cash flow is positive, enter \$0.00	Identify the mortgage as a rental property lien.		If REO Schedule is completed, confirm that the "Net Rental Income" field reflects either ▪ the amount of the property cash flow if it is negative, or ▪ \$0.00 if the monthly property cash flow is positive.		

Refer to the Rental Income topic in the Selling Guide for additional guidance.

Rental Real Estate Income and Expenses of a Partnership or an S Corporation

OMB No. 1545-0123

▶ Attach to Form 1065 or Form 1120S.
 ▶ Go to www.irs.gov/Form8825 for the latest information.

Name	Employer identification number
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1	Show the type and address of each property. For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions. See page 2 to list additional properties.			
	Physical address of each property—street, city, state, ZIP code	Type—Enter code 1–8; see page 2 for list	Fair Rental Days	Personal Use Days
A	.....		
B	.....		
C	.....		
D	.....		

		Properties			
		A	B	C	D
Rental Real Estate Income					
2	Gross rents	2			
Rental Real Estate Expenses					
3	Advertising	3			
4	Auto and travel	4			
5	Cleaning and maintenance	5			
6	Commissions	6			
7	Insurance	7			
8	Legal and other professional fees	8			
9	Interest (see instructions)	9			
10	Repairs	10			
11	Taxes	11			
12	Utilities	12			
13	Wages and salaries	13			
14	Depreciation (see instructions)	14			
15	Other (list) ▶	15			
16	Total expenses for each property. Add lines 3 through 15	16			
17	Income or (loss) from each property. Subtract line 16 from line 2	17			
18a	Total gross rents. Add gross rents from line 2, columns A through H			18a	
18b	Total expenses. Add total expenses from line 16, columns A through H			18b	()
19	Net gain (loss) from Form 4797, Part II, line 17, from the disposition of property from rental real estate activities			19	
20a	Net income (loss) from rental real estate activities from partnerships, estates, and trusts in which this partnership or S corporation is a partner or beneficiary (from Schedule K-1)			20a	
	b Identify below the partnerships, estates, or trusts from which net income (loss) is shown on line 20a. Attach a schedule if more space is needed.				
	(1) Name				
				
	(2) Employer identification number				
				
21	Net rental real estate income (loss). Combine lines 18a through 20a. Enter the result here and on: Form 1065 or 1120S , Schedule K, line 2			21	

1	Show the type and address of each property. For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions.			
	Physical address of each property—street, city, state, ZIP code	Type—Enter code 1–8; see below for list	Fair Rental Days	Personal Use Days
E	.....	.....	.....	.....
F	.....	.....	.....	.....
G	.....	.....	.....	.....
H	.....	.....	.....	.....

		Properties			
		E	F	G	H
Rental Real Estate Income					
2 Gross rents	2				
Rental Real Estate Expenses					
3 Advertising	3				
4 Auto and travel	4				
5 Cleaning and maintenance	5				
6 Commissions	6				
7 Insurance	7				
8 Legal and other professional fees	8				
9 Interest (see instructions)	9				
10 Repairs	10				
11 Taxes	11				
12 Utilities	12				
13 Wages and salaries	13				
14 Depreciation (see instructions)	14				
15 Other (list) ▶	15				
.....					
.....					
16 Total expenses for each property. Add lines 3 through 15	16				
17 Income or (loss) from each property. Subtract line 16 from line 2	17				

Allowable Codes for Type of Property

- 1—Single Family Residence
- 2—Multi-Family Residence
- 3—Vacation or Short-Term Rental
- 4—Commercial
- 5—Land
- 6—Royalties
- 7—Self-Rental
- 8—Other (include description with the code on Form 8825 or on a separate statement)