



# IRS Summertime Tax Tip 2016-19: What to Expect at Tax Time if You Rent Out Your Vacation Home

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IRS Tax Tips

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What to Expect at Tax Time if You Rent Out Your Vacation Home

Renting out a vacation property to others can be profitable. If you do this, you must normally report the rental income on your tax return. You may not have to report the rent, however, if the rental period is short and you also use the property as your home. Here are some tips that you should know:

- Vacation Home.** A vacation home can be a house, apartment, condominium, mobile home, boat or similar property.
- Schedule E.** You usually report rental income and rental expenses on [Schedule E](#), Supplemental Income and Loss. Your rental income may also be subject to [Net Investment Income Tax](#).
- Used as a Home.** If the property is "used as a home," your rental expense deduction is limited. This means your deduction for rental expenses can't be more than the rent you received. For more about these rules, see [Publication 527](#), Residential Rental Property (Including Rental of Vacation Homes).

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- **Divide Expenses.** If you personally use your property and also rent it to others, special rules apply. You must divide your expenses between rental use and personal use. To figure how to divide your costs, you must compare the number of days for each type of use with the total days of use.
- **Personal Use.** Personal use may include use by your family. It may also include use by any other property owners or their family. Use by anyone who pays less than a fair rental price is also considered personal use.
- **Schedule A.** Report deductible expenses for personal use on [Schedule A](#), Itemized Deductions. These may include costs such as mortgage interest, property taxes and casualty losses.
- **Rented Less than 15 Days.** If the property is “used as a home” and you rent it out fewer than 15 days per year, you do not have to report the rental income. In this case you deduct your qualified expenses on Schedule A.
- **Use IRS Free File.** If you still need to file your 2015 tax return, you can use [IRS Free File](#) to make filing easier. Free File is available until Oct. 17. Free File is available only through the IRS.gov website.

[IRS Tax Tips](#) provide valuable information throughout the year. IRS.gov offers tax help and info on various topics including common [tax scams](#), [taxpayer rights](#) and more.

**Additional IRS Resources:**

- [Tax Topic 415](#) – Renting Residential and Vacation Property
- [Rental Income and Expenses](#) – Real Estate Tax Tips

**IRS YouTube Videos:**

- Renting Your Vacation Home – [English](#) | [Spanish](#) | [ASL](#)

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