

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

2004

Department of the Treasury
Internal Revenue Service

▶ See instructions on back.
▶ Attach to Form 1065, Form 1065-B, or Form 1120S.

Name

Employer identification number

1 Show the kind and location of each property. See page 2 for additional properties.

- A**
- B**
- C**
- D**

		Properties			
		A	B	C	D
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	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 Total gross rents. Add gross rents from line 2, columns A through H **17**

18 Total expenses. Add total expenses from line 16, columns A through H **18** ()

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 17 through 20a. Enter the result here and on:

- Form 1065 or 1120S: Schedule K, line 2, or
- Form 1065-B: Part I, line 4

21

1 Show the kind and location of each property.

E

F

G

H

		Properties			
		E	F	G	H
2	Rental Real Estate Income				
	Gross rents				
3	Rental Real Estate Expenses				
	Advertising				
	Auto and travel				
	Cleaning and maintenance				
	Commissions				
	Insurance				
	Legal and other professional fees				
	Interest				
	Repairs				
	Taxes				
	Utilities				
	Wages and salaries				
	Depreciation (see instructions)				
	Other (list) ▶				
				
				
16	Total expenses for each property.				
	Add lines 3 through 15				

Instructions

Section references are to the Internal Revenue Code.

Purpose of form. Partnerships and S corporations use Form 8825 to report income and deductible expenses from rental real estate activities, including net income (loss) from rental real estate activities that flow through from partnerships, estates, or trusts.

Before completing this form, be sure to read:
 • *Passive Activity Limitations* in the instructions for Form 1065 or Form 1120S, or *Passive Loss Limitation Activities* in the Instructions for Form 1065-B, especially for the definition of "rental activity."

• *Extraterritorial Income Exclusion* in the instructions for Form 1065, 1065-B, or 1120S.

Lines 1 through 21. Form 8825 provides space for up to eight properties. If there are more than eight properties, complete and attach additional Forms 8825.

The number of columns to be used for reporting income and expenses on this form may differ from the number of rental real estate activities the partnership or S corporation has for purposes of the passive activity limitations. For example, a partnership owns two apartment buildings, each located in a different city. For purposes of the passive activity limitations, the partnership grouped both buildings into a single activity. Although the partnership has only one rental real estate activity, it must report the income and deductions for each building in separate columns.

However, if the partnership or S corporation has more than one rental real estate activity, attach a statement to Schedule K that reports the net income (loss) for each separate activity. Also, attach a statement to each Schedule K-1 that reports each partner's or shareholder's share of the net income (loss) for each separate activity (except for limited partners in an electing large partnership). See *Passive Activity Reporting Requirements* in the instructions for Form 1065, Form 1065-B, or Form 1120S for additional information that must be provided for each activity.

Complete lines 1 through 16 for each property. But complete lines 17 through 21 on only one Form 8825. The figures on lines 17 and 18 should be the combined totals of all forms.

Do not report on Form 8825 any:

- Income or deductions from a trade or business activity or a rental activity other than rental real estate.
- Portfolio income or deductions.
- Section 179 expense deduction.
- Other items that must be reported separately to the partners or shareholders.
- Commercial revitalization deductions.

Line 1. Show the kind of property rented out (for example, "apartment building"). Give the street address, city or town, and state.

Line 14. The partnership or S corporation may claim a depreciation deduction each year for rental property (except for land, which is not depreciable). If the partnership or S corporation placed property in service during the current tax

year or claimed depreciation on any vehicle or other listed property, complete and attach Form 4562, Depreciation and Amortization. See Form 4562 and its instructions to figure the depreciation deduction.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: Recordkeeping, 6 hr., 27 min.; Learning about the law or the form, 34 min.; Preparing the form, 1 hr., 37 min.; Copying, assembling, and sending the form to the IRS, 16 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.