

Tax Tips for Long-Term Rental Property Owners

As tax day rapidly approaches, you may be wondering how to leverage your deductions to lower your overall burden, allowing you to keep more of your own money. Whether you own a property, are looking into investing in a property to rent out, or are a current landlord, there are plenty of tax benefits available to property owners that we hope you'll keep in mind this tax season.

In a stable, growing real estate market like the Wilmington area, investing in rental properties and managing your properties can not only provide a steady passive income but can also bring you tremendous tax benefits.

Remember Your Deductions

Everyone who owns a rental property will have losses each year, and if you are a landlord or investor, there are many ways to strategize your deductions to make sure that tax season is easy on your wallet.

Whether you're new to the real estate market or are a seasoned investor, make sure to keep records of the following types of expenses so that you can take advantage of the various deductions available to property owners:

- **Property Value:** Property owners can deduct a portion of a property's value from their gross annual income.
- **Interest:** Property owners can also deduct interest (such as mortgage interest payments on loans or interest from credit cards used to buy goods and services to improve a rental property), which is often a property owner's biggest deductible expense.
- **Repairs:** The cost of necessary and reasonable repairs to an occupied rental property is fully deductible in the year they are done, providing another great deduction opportunity. This is great news for long-term property owners who need to invest in significant property upgrades to maintain a property's desirability for renters.
- **Insurance:** You can typically deduct the premiums you pay for insurance related to your property. This includes fire, theft, and flood insurance for the property, as well as landlord liability insurance.
- **Depreciation:** Property owners can deduct a portion of the cost of the property over several years as well as money spent to improve the property for depreciation.
- **Legal & Professional Fees:** Landlords can deduct fees paid to attorneys, accountants, property management companies, and other professionals hired during the year.

- Operating Expenses: Purchases made for office supplies or property management software subscriptions used to manage a rental property are tax-deductible.

Maximize Your Deductions To Increasing Your Earnings

Although there is a lot to consider when purchasing a rental investment property, these investments have proven time and again to be greatly advantageous to property owners. Of course, it is always a good idea to check with a tax professional or accountant to ensure that you qualify for the types of deductions and benefits listed above.

If you're an investor or property owner looking to learn more about our services and what a professional property manager can do for you, consider reaching out to the experts at Sea Scape Properties. Sea Scape Properties is a family-owned full-service property management company serving Wilmington, NC, and surrounding areas. Reach out to us today at [\(910\) 332-7284](tel:9103327284) or [via our website](#) to find out how we can help you start maximizing your return on investment.