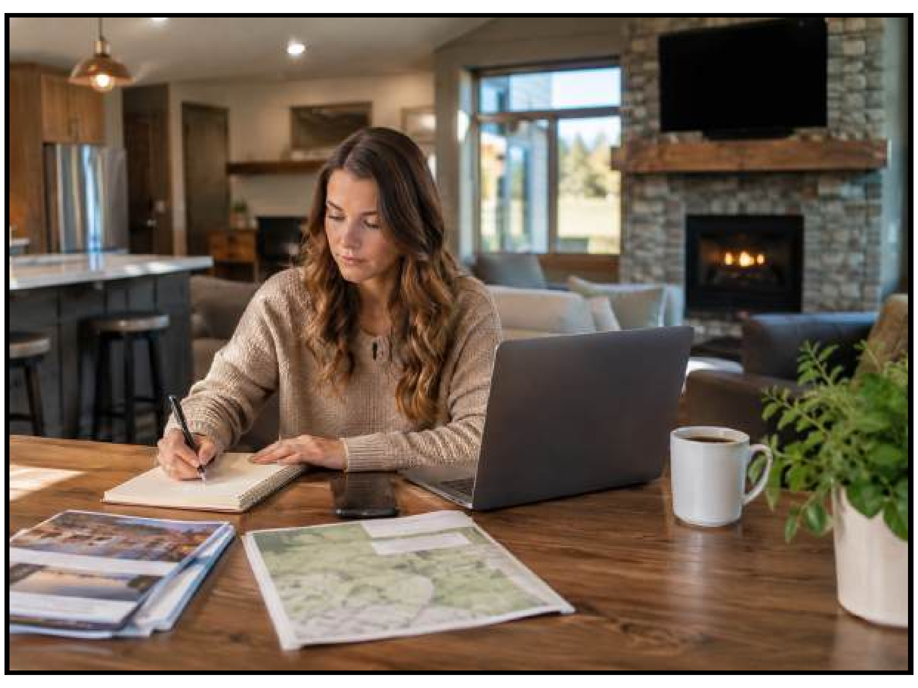
5 Things to Know About STR Tax Strategy Candidacy

1. What the Participation Requirement Means

Owning a short-term rental doesn't automatically generate a tax benefit, clients must complete at least 100 hours of documented activity and contribute more time than any other individual involved. Both conditions must be met in the first year to offset W-2 income with associated losses.

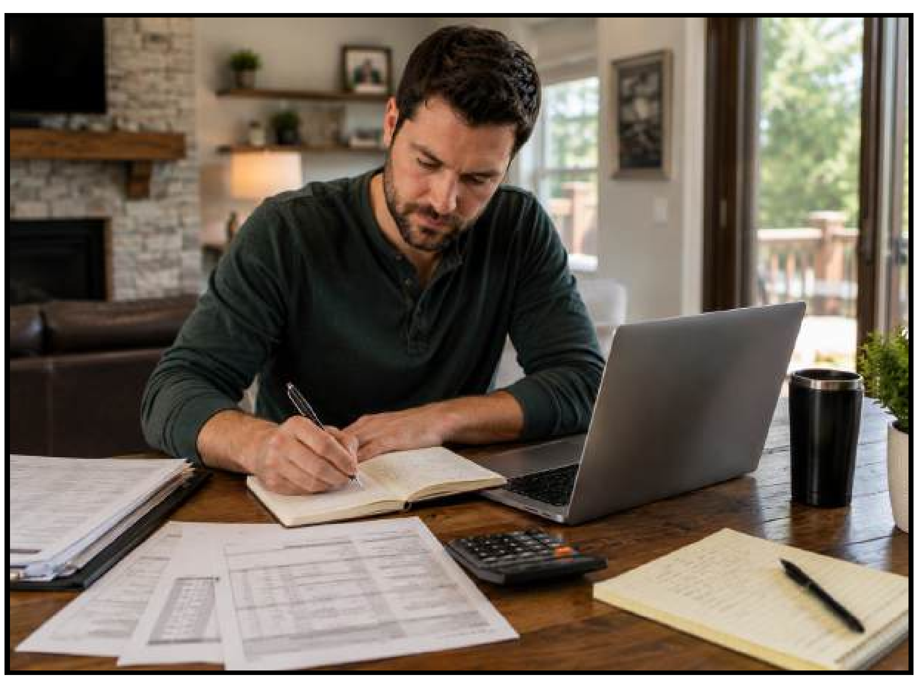


2. What Active Participation Looks Like

Active participation means hands-on, documented involvement, not occasional check-ins from a distance. Qualifying activities include building guest content, contributing to design, inspecting the property, coordinating contractors, and communicating with guests.

3. Why Documentation Matters

Meeting the 100-hour threshold isn't enough, clients must also prove it. The IRS expects a real-time log of all management activities with clear entries of work completed and time spent. A deduction is only as strong as the documentation supporting it.



4. Who Makes a Good Candidate

The biggest obstacle is usually time. A physician working long clinical hours, a pilot away from home, or a corporate executive with multiple priorities may have the income to benefit but struggle to meet the participation requirement, realistic schedule assessment is essential.

5. How the Right Structure Can Help

The right operating partner doesn't eliminate the participation requirement but helps clients plan and complete qualifying activities confidently. They handle acquisition, design, and daily operations while clients meet the hours needed to satisfy the requirement.

Presented by:
ElkRidgeInvestments.com

INVESTMENTS
ELK RIDGE

Image Source:
chatgpt.com (AI-generated)