



# Doug Andre Advises on What New IRS Guidance May Mean for Rental Real Estate Owners

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IPB partner Doug Andre has written an article for *National Real Estate Investor*, entitled, "What Recent IRS Guidance Means for Rental Real Estate Owners." Doug reviews recent IRS Rev. Proc. 2019-38, related to Section 199A of the 2017 TCJA, as it pertains to businesses that own and operate rental real estate.

Eligible taxpayers, including individuals operating as sole proprietorships, partnerships, S corporations, and trusts and estates that carry on a "qualified trade or business" can potentially deduct up to 20 percent of qualified business income defined as the net effectively connected income from a U.S. trade or business; while most types of investment income are excluded, rents from leasing real estate can qualify for the deduction if the activity rises to the level of a trade or business (as compared with a purely investment activity).