



# 2019 Instructions for Schedule E

## Supplemental Income and Loss

Use Schedule E (Form 1040 or 1040-SR) to report income or loss from rental real estate, royalties, partnerships, S corporations, estates, trusts, and residual interests in RE-MICs.

You can attach your own schedule(s) to report income or loss from any of these sources. Use the same format as on Schedule E.

Enter separately on Schedule E the total income and the total loss for each part. Enclose loss figures in (parentheses).

Section references are to the Internal Revenue Code unless otherwise noted.

### Future Developments

For the latest information about developments related to Schedule E (Form 1040 or 1040-SR) and its instructions, such as legislation enacted after they were published, go to [IRS.gov/ScheduleE](https://www.irs.gov/ScheduleE).

### What's New

**Standard mileage rate.** The standard mileage rate for miles driven in connection with your rental activities increased to 58 cents a mile.

## General Instructions

### Other Schedules and Forms You May Have To File

- Schedule A (Form 1040 or 1040-SR) to deduct interest, taxes, and casualty losses not related to your business.
- Form 461 to report your excess business loss.
- Form 3520 to report certain transactions with foreign trusts and receipt of certain large gifts or bequests from certain foreign persons.
- Form 4562 to claim depreciation (including the special allowance) on assets placed in service in 2019, to claim amortization that began in 2019, to make an election under section 179 to expense certain property, or to report information on listed property.
- Form 4684 to report a casualty or theft gain or loss involving property

used in your trade or business or income-producing property.

- Form 4797 to report sales, exchanges, and involuntary conversions (not from a casualty or theft) of trade or business property.
- Form 6198 to apply a limitation to your loss from an at-risk activity.
- Form 8082 to notify the IRS of any inconsistent tax treatment for an item on your return.
- Form 8582 to apply a limitation to your loss from passive activities.
- Form 8824 to report like-kind exchanges.
- Form 8826 to claim a credit for expenditures to improve access to your business for individuals with disabilities.
- Form 8873 to figure your extraterritorial income exclusion.
- Form 8910 to claim a credit for placing a new alternative motor vehicle in service for business use.
- Form 8960 to pay Net Investment Income Tax on certain income from your rental and other passive activities.
- Form 8990 to determine whether your business interest deduction is limited.
- Form 8995 or 8995-A to claim a deduction for qualified business income.

**Single-member limited liability company (LLC).** In most cases, a single-member domestic LLC is not treated as a separate entity for federal income tax purposes. If you are the sole member of a domestic LLC, file Schedule E (or Schedule C or F, if applicable). However, you can elect to treat a domestic LLC as a corporation. See Form 8832 for details on the election and the tax treatment of a foreign LLC.

**Information returns.** You may have to file information returns for wages paid

to employees, certain payments of fees and other nonemployee compensation, interest, rents, royalties, real estate transactions, annuities, and pensions. You generally use Form 1099-MISC, Miscellaneous Income, to report rents and payments of fees and other nonemployee compensation. For details, see *Line A*, later, and the 2019 General Instructions for Certain Information Returns.

If you received cash of more than \$10,000 in one or more related transactions in your trade or business, you may have to file Form 8300. For details, see Pub. 1544.

### Qualified Joint Venture

If you and your spouse each materially participate (see *Material participation* in the Instructions for Schedule C) as the only members of a jointly owned and operated rental real estate business and you file a joint return for the tax year, you can elect to be treated as a qualified joint venture instead of a partnership. This election, in most cases, will not increase the total tax owed on the joint return. By making the election, you will not be required to file Form 1065 for any year the election is in effect and will instead report the income and deductions directly on your joint return. If you and your spouse filed Form 1065 for the year prior to the election, the partnership terminates at the end of the tax year immediately preceding the year the election takes effect.

**Note.** Mere joint ownership of property that is not a trade or business does not qualify for the election.