



# Income Tax Quiz for Landlords

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<p><b>1. Mortgage payments for a rental are:</b></p> <ul style="list-style-type: none"><li>A. Not deductible</li><li>B. Partially deductible</li><li>C. Deductible in full</li><li>D. A form of criminal extortion</li></ul>	<p><b>2. Rent unpaid by the tenant is:</b></p> <ul style="list-style-type: none"><li>A. Not deductible</li><li>B. Deductible as "bad debt"</li><li>C. Deductible as "rent", with "-" sign</li><li>D. Deductible as "entertainment"</li></ul>
<p><b>3. Depreciation is:</b></p> <ul style="list-style-type: none"><li>A. A "free" extra deduction for landlords</li><li>B. Optional, you don't have to use it</li><li>C. "Returned" when you sell the property</li><li>D. A serious medical condition</li></ul>	<p><b>4. Depreciation starts:</b></p> <ul style="list-style-type: none"><li>A. On the day of closing</li><li>B. On the day of "ready for rent"</li><li>C. On the day 1st lease is signed</li><li>D. On the day 1st tenant moves in</li></ul>
<p><b>5. Cost of a new roof is deducted:</b></p> <ul style="list-style-type: none"><li>A. Immediately as "repairs"</li><li>B. Immediately as "advertising"</li><li>C. Through 5-year depreciation</li><li>D. Through 27.5/39-year depreciation</li></ul>	<p><b>6. Cost of your own labor is:</b></p> <ul style="list-style-type: none"><li>A. Never deductible</li><li>B. Depreciated over 27.5/39 years</li><li>C. Deductible in full, as "wages"</li><li>D. Deductible in full, as "other"</li></ul>
<p><b>7. New dishwasher can be deducted:</b></p> <ul style="list-style-type: none"><li>A. In full, as "repairs"</li><li>B. In full, as "section 179" depreciation</li><li>C. Over 5 years</li><li>D. Over 27.5 years</li></ul>	<p><b>8. Receipt or other proof is required:</b></p> <ul style="list-style-type: none"><li>A. For entertainment &amp; travel expenses</li><li>B. Only for expenses paid in cash</li><li>C. Only for major (over \$250) expenses</li><li>D. For all business expenses</li></ul>
<p><b>9. Closing costs are deductible:</b></p> <ul style="list-style-type: none"><li>A. Never</li><li>B. In small amounts, over many years</li><li>C. Up to the amount of cash at closing</li><li>D. In full, in the year of closing</li></ul>	<p><b>10. Initial rehab of a foreclosure property:</b></p> <ul style="list-style-type: none"><li>A. Always deductible in full, as "repairs"</li><li>B. Part repairs, part depreciable improvements</li><li>C. Must be slowly depreciated</li><li>D. Is a popular Mardi Gras activity</li></ul>

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