FREE COMPANION TO THE RENTAL EXPENSE TRACKER LITE

Schedule E Cheat Sheet

A one-page map of IRS Schedule E, Part I, for self-managing landlords with 1–10 rentals. 2026 tax year.

PLUMBLINE SHEETS
True, level numbers
Updated November 2026

INCOME AND EXPENSE LINES

Line	What goes here
3	**Rents received.** Monthly rent, advance rent (in the year received), laundry or parking, and security deposits you keep for damage or unpaid rent.
5	**Advertising.** Listing fees, yard signs, tenant-finding ads.
6	**Auto and travel.** Deductible mileage, parking, tolls, and travel to collect rent or to manage, conserve, or maintain the property. See Publication 527 for the commuting rule.
7	**Cleaning and maintenance.** Routine upkeep, lawn, pest, snow, cleaning between tenants.
8	**Commissions.** Leasing commissions paid to agents.
9	**Insurance.** Landlord or dwelling policy, liability umbrella share, flood.
10	**Legal and professional fees.** Attorney, the rental portion of tax prep, bookkeeping help.
11	**Management fees.**
12	**Mortgage interest** paid to banks and others who send Form 1098.
13	**Other interest.** Private lenders; credit-card interest on rental purchases.
14	**Repairs** that restore the property to its prior working condition. Not improvements — see the test at right.
15	**Supplies.** Cleaning supplies, bulbs, small hardware.
16	**Taxes.** Property taxes; rental license or registration fees treated as taxes.
17	**Utilities** you pay for the rental (water, sewer, trash, gas, electric, internet).
18	**Depreciation** from Form 4562 — calculated, not paid. Residential buildings: 27.5 years, straight line, mid-month.
19	**Other.** List each type. HOA dues, bank fees, screening, software, postage, licenses, de minimis safe-harbor items.

Line numbers follow Schedule E (Form 1040) Part I. If you have more than three properties, use additional copies of page 1 and total only on the first.

2026 KEY NUMBERS

Item	Figure
Standard mileage rate (rental / business use)	**72.5¢**/mi Jan 1–Jun 30 **76¢**/mi Jul 1–Dec 31
Form 1099-NEC threshold (payments in 2026)	**$2,000** per payee Was $600 for 2025
De minimis safe harbor (no audited statements)	**$2,500** per invoice or item, with an annual election
Small-taxpayer safe harbor ceiling	Lesser of **2%** of the building's unadjusted basis or **$10,000**
Residential rental recovery period	**27.5 years**, mid-month. Full-year rate **3.636%**
Appliances, carpet, furniture	Generally **5-year** property
Passive loss special allowance	Up to **$25,000** if you actively participate; phases out from $100k–$150k MAGI

Mileage: IRS standard mileage rates page and Notice 2026-10. 1099-NEC: IRS "Am I required to file a Form 1099…?" Depreciation and safe harbors: Publications 527 and 946; tangible property final regulations on IRS.gov. Figures checked November 2026.

NEVER ON SCHEDULE E

Owner contributions or draws	Just moving your own money
Security deposits received or returned	A liability, not income, until you keep them
Mortgage principal	Only the interest is deductible
Capital improvements	Add to basis and depreciate
Land and the purchase price of the building	Basis, not a current expense

REPAIRS VS. IMPROVEMENTS — THE QUESTION THAT COSTS THE MOST

The useful test. After the work, is the property or building system in the same condition it was in when it was working normally, or is it better, bigger, different, or effectively new? "Same condition" points to a deductible repair (line 14). "Better, bigger, different, or new" points to an improvement you capitalize and depreciate. Apply the test to the building structure and to each key system (plumbing, electrical, HVAC, and so on), not only to the house as a whole.

Three safe harbors (tangible property regulations).

- **De minimis:** elect to deduct items up to $2,500 per invoice or item if you follow a consistent book policy and attach the annual statement.
- **Small taxpayers:** if receipts are $10M or less and the building's unadjusted basis is $1M or less, you may elect to deduct all repair, maintenance, and improvement costs on that building if the year's total is at or under the lesser of 2% of unadjusted basis or $10,000.
- **Routine maintenance:** recurring work you reasonably expected more than once in 10 years is generally deductible. No election statement.

Free workbook + this sheet: plumblinesheets.com/free · Full Schedule E workbook, rent roll, and the guidebook *Schedule E Made Simple* are on the same site.

Organizing tool, not tax advice. This sheet is general information about federal rules as of November 2026. It is not a substitute for Schedule E, its instructions, or a qualified tax professional. Treatment of any invoice depends on the facts. Confirm your return before you file.

Sources (IRS.gov): Schedule E (Form 1040) and instructions; Publication 527, Residential Rental Property; Publication 946, How To Depreciate Property; Standard mileage rates; Tangible property final regulations; "Am I required to file a Form 1099 or other information return?"