



WILL LANDLORDS BENEFIT FROM THE 20% PASS-THROUGH DEDUCTION IN THE TAX CUTS AND JOBS ACT (TCJA)?

Who qualifies for the 20% deduction?

Pass-through businesses such as LLCs, S-corps, and partnerships.

When would the 20% deduction benefit landlords?

If landlords have owned their investment properties for a long time and have already recognized much of the available depreciation deduction, the 20% pass-through deduction could be highly beneficial.

When would the 20% deduction NOT benefit landlords?

If landlords already are generating a tax loss on their rental properties due to depreciation or other reasons, the 20% deduction probably is not helpful.

What are the limitations?

Currently, the limitations are \$315,000 for joint filers and \$157,000 for any other filer.

Additional Resources

- Five Stone Tax Advisers
- Tax Policy Center
- Turbo Tax

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