




Schedule K-1, Rental, Royalty

Learning Objectives

- Identify Schedule K-1 income items that are within scope
- Determine how to report Schedule K-1 items

1.  Open Volunteer Resource Guide, **Tab D, Income. Study D-43 through D-48**
2. Open [TaxSlayer Practice Lab](#) and login. Find and view the **Advanced Tax Topics Part 1** video in the Practice lab, Home Page, Section 4.
3.  **Study** the associated **VITA/TCE Training Guide** Chapter 13.
4.  **Complete** the [Skills Workout](#) (Training toolkit).

Hint from NTTC Modifications to the IRS Training Guide

Residential rentals

Clarify that residential rentals are in scope with Military certification when the taxpayer is in the active military only.

Rental of a personal residence for less than 15 days during the year is not rental activity and the income is not taxable. (A personal residence is a dwelling used by the taxpayer as a residence for 15 days or more.)

Rental of land with no improvements is in scope and reported on Schedule E. All land rental income must be reported whether on a Form 1099-MISC or not. No expenses are in scope. Deductible interest or taxes can be claimed on Schedule A if itemizing.