TAXSTRA

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2026 STR Loophole Qualification Checklist

Use this as a CPA-review organizer, not a qualification certificate. The core Section 469 analysis has two gates. Depreciation and loss usability are separate questions.

Taxpayer / household ____________________

Tax year ____________________

Property / activity ____________________

Ownership entity ____________________

Gate 1: Section 469 activity classification

- [ ] Collected booking-level records from every platform and direct booking.
- [ ] Identified each continuous period when a customer had the right to use the property.
- [ ] Excluded vacant and owner-use days from the customer-use average.
- [ ] Reviewed whether multiple property classes or grouped activities need separate analysis.

Aggregate days in customer-use periods / Number of customer-use periods = ______ days

Common path

- [ ] Average customer use is 7 days or less.

Review path

- [ ] Average is 30 days or less and significant personal services may apply.

Gate 2: Material participation

- [ ] Test 1: More than 500 hours.
- [ ] Test 2: Substantially all participation.
- [ ] Test 3: More than 100 hours and no other individual more.
- [ ] Test 4: Significant-participation activities exceed 500 hours in aggregate.
- [ ] Test 5: Material participation in 5 of the prior 10 years.
- [ ] Test 6: Personal-service activity history for 3 prior years.
- [ ] Test 7: Regular, continuous, and substantial facts and circumstances.
- [ ] Spouse participation included where applicable.

Primary test relied upon ____________________

Household hours ____________________

Most hours by any one other individual ____________________

Supporting records location ____________________

Separate analysis: loss generation and loss usability

- [ ] Placed-in-service date documented.
- [ ] Depreciable basis and land allocation reviewed.
- [ ] Owner or pass-through basis reviewed.
- [ ] Section 465 amount at risk reviewed.
- [ ] Section 280A personal-use limit reviewed.

- [ ] Cost segregation treated as optional acceleration, not a qualification test.
- [ ] Bonus-depreciation eligibility reviewed by asset class.
- [ ] Section 461(l), state, and return-level limits reviewed.

Recordkeeping file

- [ ] Weekly participation log
- [ ] Calendars and messages
- [ ] Invoices, receipts, and work orders
- [ ] Cleaner, co-host, contractor, and manager hour support
- [ ] Booking and cancellation exports
- [ ] Personal-use calendar
- [ ] Closing statement and improvement invoices
- [ ] Tax elections, depreciation schedules, and state adjustments

Recordkeeping note: Treasury Regulation 1.469-5T(f)(4) permits proof by any reasonable means and does not require a contemporaneous daily log. A current weekly log with corroborating records is nevertheless much stronger than a year-end reconstruction.

Questions for the tax professional

1.

2.

3.

Primary references: Treas. Reg. 1.469-1T(e)(3), Treas. Reg. 1.469-1(e)(3), Treas. Reg. 1.469-5T, IRC Sections 465, 469, 280A, and 461(l), IRS Notice 2026-11.