Augusta Rule Worksheet & Records
Section 280A (g) IRC

Property

The property located at ______ is being rented to the Lessee under the terms of this agreement. The Lessee and its guests shall have access to the Property, including furnishing and amenities unless otherwise noted on ______
Except for the following areas: Any rooms marked by the Lessor as "Do Not Enter". The Property is rented in "as is" condition to be used only for the event specified in this rental agreement. No illegal activities are allowed on the property.

1. Rental Period

The rental period will begin on ______ at ______ and end on ______

2. Rental Fee

The total rental fee for the period is $ ______. The Lessee agrees to pay the full rental fee within 10 calendar days upon receiving the invoice by the Lessor.

3. Restrictions

- Parking: ______
- Smoking: Smoking is prohibited anywhere on the property unless explicitly permitted in writing by both parties.
- Interior/Exterior use: ______
- Maintenance: The Lessee agrees to leave the Property in the same condition it was in at the start of the rental, including proper disposal of trash and cleaning dishes, utensils and appliances.
- Residential and Public Disturbances: The Lessee agrees to keep noise levels under control to avoid disturbing neighbors. Continued disturbances may lead to expulsion from the Property at the Lessor's discretion, with no refund of the Rent.

4. Cancellation

Should the agreement be canceled, any rent that has been paid will be fully refunded.

5. Agreement Changes

No modifications shall be made unless agreed upon and documented in writing by both parties.

6. Binding Nature

This document constitutes a legally binding agreement. The signatories below affirm they have the authority to legally bind the parties they represent.

7. Governing Law

This document constitutes a legally binding agreement. The signatories blow affirm they have the authority to legally bind the parties they represent.

This agreement shall be interpreted and enforced the according to the laws of the State of

I have read and agree to the policies and procedures attached:

Lessor Name:

Lessor Title:

Date:

Lessor Signature:

Lessee Name:

Lessee Title:

Date:

Lessee Signature:

Meeting Minutes Re: IRC Sect. 280A(g)

(Minutes to be retained in corporate records)

Event Details

Property owner name	
Renter Name	
Date of Event	
Start/End Time	
Event location (Primary personal residence of owner)	

Purpose of the event

Must clearly be a business activity. Describe in detail. Example: Quarterly marketing review with marketing team. Presentation given on strategies and update on progress. Plan for next quarter marketing budget. Some example of allowable purposes: Companywide holiday party, shareholder meetings, board of director meetings, team retreats, masterminds, etc.

Agenda

List specific key business topics discussed during the meeting.

Attendees

Attach additional sheet if needed. Include Name, role and signature.

Meeting Summary/minutes

Summary of meeting. Include decisions and outcomes. Attach additional sheet if needed.

Thornton Tax Advisory, LLC

Supporting Documents

Attach materials used. Examples: PowerPoint, Handouts, Invoices, Business plans, etc.

Rental Details **Important

- Fair market rental rate
- Total rental days in tax year
- Total paid for this meeting
- Payment method

<u>**Attach comparable rental sources (ex: VRBO, hotels, etc.)</u>

Declaration

I hereby certify that the meeting described above was held for a legitimate business purpose in accordance with IRS Section 280A(g), and the residence used is my personal residence. Supporting documentation is maintained and available upon request.

Signature Property owner
Date

Signature Business Representative
Date

Things to know:

- The Augusta Rule generally doesn't apply to sole proprietorships and single member LLC's. The renter must be a separate tax entity from the home owner.
- The home must be your personal home. A vacation home that you use often will qualify, but not a home that you rent out all year long or almost all year.
- The home must be rented by your business for business purposes. The business purpose is important to document.
- The rent paid is a business expense to your business when all the rules are followed.
- The rent paid to you personally does not get added into your gross income for federal tax purposes.
- You may not deduct expenses in relation to the rental because the income is not taxed.
- If you rent your home out for 15 days + then the entire amount becomes taxable, even the first 14 days.