ClearSky
CPA
Build. Grow. Exit. Minimize Taxes.



CASE STUDY |

REAL ESTATE & STRATEGIC TAX PLANNING

Years of Real Estate Investments. Over $300,000 in Tax Deductions Uncovered.

How ClearSky CPA helped business owners uncover overlooked tax opportunities across their real estate investments and businesses.

www.clearskycpa.com

1. The Decision

A successful couple had built a diverse financial portfolio that included several rental properties and their own businesses.

One owner worked extensively in real estate sales and property management, while the other operated a professional services business.

Despite years of investing in real estate, their previous tax planning had never fully explored how these activities could work together to reduce their overall tax burden.

Their investments were growing, but their tax strategy hadn't kept pace.

2. What Was at Stake

The couple had invested significantly in real estate, but valuable tax deductions were being overlooked.

Depreciation on previous property improvements had never been claimed. Rental losses had not been fully evaluated in connection with their other income.

Their business structure also created opportunities to reduce future self-employment tax exposure.

The issue wasn't a lack of investments or business success.

It was the lack of a coordinated strategy connecting everything they already owned.

3. The ClearSky Approach

ClearSky reviewed the couple's complete financial picture rather than treating each business and property separately.
We identified four opportunities:

- **Real estate professional status:** Evaluated how qualifying rental losses could offset other income based on the owners' real estate activities.
- **Missed depreciation**: Prepared Form 3115 to recover deductions overlooked in previous years.
- **Cost segregation:** Completed studies to accelerate depreciation on rental property improvements and a newly acquired property used by one of their businesses.
- **Business structure:** Evaluated opportunities to reduce future self-employment taxes through more appropriate tax classification.

The goal was to identify tax advantages already available to the owners without requiring unnecessary investments or complicated transactions.

4. The Outcome

The completed tax work documented:

- **$69,915** in previously missed depreciation recovered through an accounting method correction.
- **$238,795** in depreciation deductions on the newly acquired business-use rental property.
- **More than $308,000 in combined deductions** from these two components.



Beyond the immediate deductions, the owners gained a clearer understanding of how their businesses and real estate activities could support a more effective long-term tax strategy.

5. The Bigger Lesson

Sometimes the biggest tax opportunity isn't a new investment. It's understanding the value of what you already own.

Even successful business owners can miss significant opportunities when tax planning focuses only on preparing annual returns.

At ClearSky CPA, we connect the pieces, helping owners understand how their businesses, investments, and financial decisions work together.

Because building wealth is important. Protecting what you've built takes strategy.



These case studies illustrate specific client circumstances and outcomes. Results vary based on individual facts, timing, and applicable tax laws. Past results do not guarantee similar outcomes. This information is for educational purposes and is not individualized tax, legal, or investment advice.



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