

# Passive Activity Loss Limitations

Department of the Treasury  
Internal Revenue Service (99)

▶ See separate instructions.  
▶ Attach to Form 1040 or Form 1041.

**2018**  
Attachment  
Sequence No. **88**

▶ Go to [www.irs.gov/Form8582](http://www.irs.gov/Form8582) for instructions and the latest information.

Name(s) shown on return

Identifying number

## Part I 2018 Passive Activity Loss

**Caution:** Complete Worksheets 1, 2, and 3 before completing Part I.

**Rental Real Estate Activities With Active Participation** (For the definition of active participation, see

**Special Allowance for Rental Real Estate Activities** in the instructions.)

<b>1a</b> Activities with net income (enter the amount from Worksheet 1, column (a)) . . . . .	<b>1a</b>			
<b>b</b> Activities with net loss (enter the amount from Worksheet 1, column (b)) . . . . .	<b>1b</b>	(		)
<b>c</b> Prior years unallowed losses (enter the amount from Worksheet 1, column (c)) . . . . .	<b>1c</b>	(		)
<b>d</b> Combine lines 1a, 1b, and 1c . . . . .	<b>1d</b>			

### Commercial Revitalization Deductions From Rental Real Estate Activities

<b>2a</b> Commercial revitalization deductions from Worksheet 2, column (a) . . . . .	<b>2a</b>			
<b>b</b> Prior year unallowed commercial revitalization deductions from Worksheet 2, column (b) . . . . .	<b>2b</b>	(		)
<b>c</b> Add lines 2a and 2b . . . . .	<b>2c</b>	(		)

### All Other Passive Activities

<b>3a</b> Activities with net income (enter the amount from Worksheet 3, column (a)) . . . . .	<b>3a</b>			
<b>b</b> Activities with net loss (enter the amount from Worksheet 3, column (b)) . . . . .	<b>3b</b>	(		)
<b>c</b> Prior years' unallowed losses (enter the amount from Worksheet 3, column (c)) . . . . .	<b>3c</b>	(		)
<b>d</b> Combine lines 3a, 3b, and 3c . . . . .	<b>3d</b>			

<b>4</b> Combine lines 1d, 2c, and 3d. If this line is zero or more, stop here and include this form with your return; all losses are allowed, including any prior year unallowed losses entered on line 1c, 2b, or 3c. Report the losses on the forms and schedules normally used . . . . .	<b>4</b>			
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- If line 4 is a loss and:
- Line 1d is a loss, go to Part II.
  - Line 2c is a loss (and line 1d is zero or more), skip Part II and go to Part III.
  - Line 3d is a loss (and lines 1d and 2c are zero or more), skip Parts II and III and go to line 15.

**Caution:** If your filing status is married filing separately and you lived with your spouse at any time during the year, **do not** complete Part II or Part III. Instead, go to line 15.

## Part II Special Allowance for Rental Real Estate Activities With Active Participation

**Note:** Enter all numbers in Part II as positive amounts. See instructions for an example.

<b>5</b> Enter the <b>smaller</b> of the loss on line 1d or the loss on line 4 . . . . .			<b>5</b>	
<b>6</b> Enter \$150,000. If married filing separately, see instructions . . . . .	<b>6</b>			
<b>7</b> Enter modified adjusted gross income, but not less than zero (see instructions) . . . . .	<b>7</b>			
<b>Note:</b> If line 7 is greater than or equal to line 6, skip lines 8 and 9, enter -0- on line 10. Otherwise, go to line 8.				
<b>8</b> Subtract line 7 from line 6 . . . . .	<b>8</b>			
<b>9</b> Multiply line 8 by 50% (0.50). <b>Do not</b> enter more than \$25,000. If married filing separately, see instructions . . . . .			<b>9</b>	
<b>10</b> Enter the <b>smaller</b> of line 5 or line 9 . . . . .			<b>10</b>	
If line 2c is a loss, go to Part III. Otherwise, go to line 15.				

## Part III Special Allowance for Commercial Revitalization Deductions From Rental Real Estate Activities

**Note:** Enter all numbers in Part III as positive amounts. See the example for Part II in the instructions.

<b>11</b> Enter \$25,000 reduced by the amount, if any, on line 10. If married filing separately, see instructions . . . . .			<b>11</b>	
<b>12</b> Enter the loss from line 4 . . . . .			<b>12</b>	
<b>13</b> Reduce line 12 by the amount on line 10 . . . . .			<b>13</b>	
<b>14</b> Enter the <b>smallest</b> of line 2c (treated as a positive amount), line 11, or line 13 . . . . .			<b>14</b>	

## Part IV Total Losses Allowed

<b>15</b> Add the income, if any, on lines 1a and 3a and enter the total . . . . .			<b>15</b>	
<b>16</b> <b>Total losses allowed from all passive activities for 2018.</b> Add lines 10, 14, and 15. See instructions to find out how to report the losses on your tax return . . . . .			<b>16</b>	

**For Paperwork Reduction Act Notice, see instructions.**