


Reg. Section 1.469-9(b)(4)

Rules for certain rental real estate activities.

- (a) Scope and purpose. This section provides guidance to taxpayers engaged in certain real property trades or businesses on applying section 469(c)(7) to their rental real estate activities.
- (b) Definitions. The following definitions apply for purposes of this section:
 - (1) Trade or business. A trade or business is any trade or business determined by treating the types of activities in § 1.469-4(b)(1) as if they involved the conduct of a trade or business, and any interest in rental real estate, including any interest in rental real estate that gives rise to deductions under section 212.
 - (2) Real property trade or business. Real property trade or business is defined in section 469(c)(7)(C).
 - (3) Rental real estate. Rental real estate is any real property used by customers or held for use by customers in a rental activity within the meaning of § 1.469-1T(e)(3). However, any rental real estate that the taxpayer grouped with a trade or business activity under § 1.469-4(d)(1)(i)(A) or (C) is not an interest in rental real estate for purposes of this section.
 -  (4) Personal services. Personal services means any work performed by an individual in connection with a trade or business. However, personal services do not include any work performed by an individual in the individual's capacity as an investor as described in § 1.469-5T(f)(2)(ii).
 - (5) Material participation. Material participation has the same meaning as under § 1.469-5T. Paragraph (f) of this section contains rules applicable to limited partnership interests in rental real estate that a qualifying taxpayer elects to aggregate with other interests in rental real estate of that taxpayer.
 - (6) Qualifying taxpayer. A qualifying taxpayer is a taxpayer that owns at least one interest in rental real estate and meets the requirements of paragraph (c) of this section.

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