



 The Augusta Rule

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Essentials

For Navigating the Augusta Rule

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Introduction

The Augusta Rule, IRS Section 280A(g), lets taxpayers rent their residence for up to 14 days a year, tax-free.

Renting to outside parties in the open market is what we call “Augusta Rule 1.0.” Renting your home to your own business, which we refer to as “Augusta Rule 2.0,” is where your business takes the deduction and you keep the rental income tax-free.

Augusta Rule 2.0 is the focus of this guide and our service. Since the IRS scrutinizes these deductions, this guide is your trailmap through the 10 requirements that keep you compliant.



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ABOUT US

Your Business Structure Has to Qualify

Eligible for S-Corps, C-Corps, Partnerships, and LLCs taxed as S- or C-Corps.*

*and some other edge cases which we help our clients determine.



Want to learn more? Schedule a call at theaugustarule.com/call



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ABOUT US

Actual Business Purpose Of The Events

Tie the meeting's content and goals to a business need, such as strategic planning, team training and client strategy sessions.



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ABOUT US

Comparable Properties For Your Event

Gather market comparables to justify your rental rate, ensuring your pricing aligns with local, documented fair market values.



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ABOUT US

Contemporaneous Rental Agreement

Draft and sign a written rental agreement on or before each event date to establish legitimacy and a clear paper trail.



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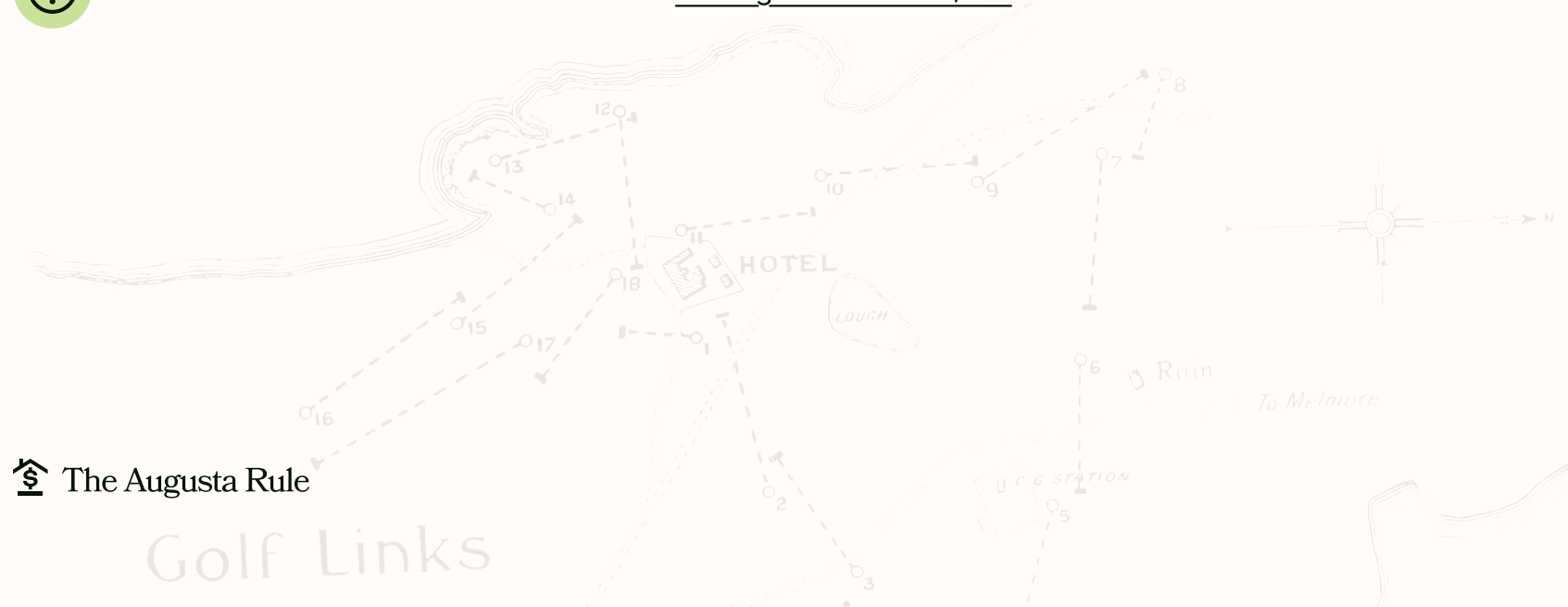
Money Must Always Actually Move Contemporaneously

Transfer and deposit real money—don't simply journal the expense.

Money must transfer on or before the rental date to support a bona fide rental transaction.



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Meetings Should Be a "Business Day" in Length

In order to maximize the impact, have a meeting that safely exceeds four hours and one minute in length (the IRS's definition of a "business day"). Doing so justifies charging a whole day's rent for your meeting.



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ABOUT US

3+ Attendees In-Person

We recommend that at least three attendees are physically present at the meeting or event—this helps support a legitimate business gathering.



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ABOUT US

Credibly Documented Agenda & Meeting Notes

Take detailed notes during your meeting. Retain printed or digital copies of meeting agendas, minutes, and handouts. These records back the legitimacy of the business function.



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ABOUT US

Entertainment Is Usually Not Deductible

Avoid mixing entertainment with the business meeting, as recreational activities could disqualify your deduction.



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Properly Reporting and Filing the Forms

The business should issue the homeowner a 1099 with the amount of rent paid, and the rental income amount should be recorded on Schedule E (Form 1040), with an offsetting deduction of the same amount citing IRC Section 280A(g).



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About Us

We help small business owners keep more of their money by using their home for business events.

If you are a small business owner, I built this for you.

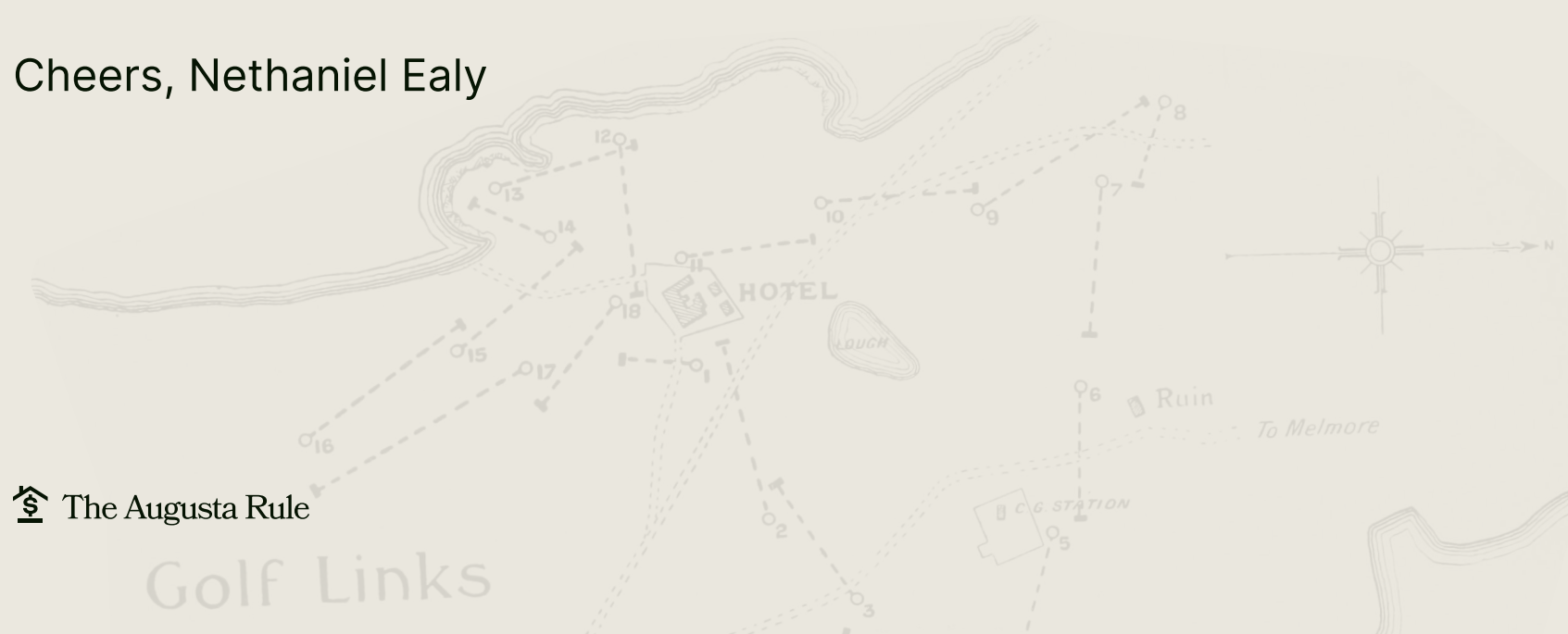
Dodging all the land-mines of starting a business is no joke. The whole "blood, sweat, and tears" sounds cliché, but it was literal for me. It probably was for you as well.

Whatever stage you're at, I applaud you for making it as far as you have. You took a calculated risk and bet on your ability to produce value. If you're making a profit, that bet is paying off.

Every dollar is a thank-you note from someone you served through your business. I want you to keep as many of them as possible because you have already proven that you create value with your resources.

Our mission at The Augusta Rule is to put one billion dollars back in the pockets of small business owners and entrepreneurs by 2030. I hope your pocket is one of them."

Cheers, Nethaniel Ealy





Nethaniel Ealy

Nethaniel Ealy, a longtime small business owner in Idaho, now oversees several profitable, award-winning, and self-managing companies, offering vision and coaching as needed. However, for years he struggled with limiting beliefs about pricing, employee costs, and team management, delaying necessary changes and losing early profits to taxes. Determined to improve his situation, Nethaniel immersed himself in tax strategies and discovered the Augusta Rule, which he began using in 2017 to pay himself tens of thousands of tax-free dollars annually. Now, he aims to help other business owners benefit from this strategy without extensive research or costly professional advice.

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John "I Enjoy Reading Case Law" Hyre

John Hyre is an attorney, accountant, and investor with experience at major accounting firms and as Tax Counsel for a Fortune 500 company. For the past 18 years, he has managed his own accounting and tax law practices, serving small businesses, real estate and note investors, and clients with self-directed retirement accounts. John has prepared thousands of tax returns, provided tax planning, represented clients in IRS audits and court, and helped with tax collection issues. He also invests in mobile home parks, low-income rentals, and property flips, and is a published author and frequent speaker on real estate and IRA taxation.