DYNAMIC DEPRECIATION

2026 Year-End Cost Segregation Checklist

A property-owner checklist for getting a study started before year-end

Property Basics

- Property address and entity ownership information
- Property type and primary use
- Purchase date and closing date
- Placed-in-service date
- Purchase price and allocation to land, if available
- Construction or improvement budget, if applicable

Documents to Gather

- Closing statement / settlement statement
- Purchase agreement and amendments
- Appraisal, if available
- Architectural plans and specifications
- Construction contracts and change orders
- Contractor invoices and pay applications
- Fixed-asset/depreciation schedule
- Prior tax returns or depreciation reports
- Renovation and improvement invoices
- Property photographs and inspection information

Site & Building Information

- Building square footage
- Number of units / rooms / suites
- Parking areas and site improvements
- Fencing, gates, landscaping, irrigation
- Exterior lighting
- Pools, recreational areas, signage

- Special-purpose rooms or installations
- Specialized equipment
- Security, fire-protection, or access-control systems

Tax Professional Coordination

- Current tax preparer / CPA contact
- Tax entity type
- Expected taxable income or loss considerations
- Passive-activity considerations, if applicable
- Prior depreciation method
- Whether the property has been depreciated under a prior study
- Whether a method change / Form 3115 review may be necessary

Year-End Timing Reminder

A study does not by itself create a tax deduction. The property must satisfy the applicable tax rules, and the taxpayer's tax professional must implement the resulting depreciation and elections correctly. For 2026 planning, confirm the current bonus-depreciation rules, placed-in-service requirements, and any applicable elections before filing the return.

Bring this checklist to your CPA and cost-segregation provider.

Important: This resource is educational information, not tax, legal, accounting, engineering, or investment advice. Cost-segregation classifications depend on the facts, property, use, placed-in-service date, documentation, and applicable tax law. Taxpayers should rely on a qualified tax professional for return positions and elections. Dynamic Depreciation does not guarantee tax savings, audit outcomes, or eligibility.