

Case Study: \$40K Year 1 Tax Savings on First STR Investment

A proactive tax strategy under the "One Big Beautiful Bill Act" helped a first-time investor save big while staying flexible.

At a glance

Profile: High-income physician ("Alex")

Location: California

First Investment: \$350K STR property

Goal: Diversification and tax savings

Key Metrics:

💰 \$87,500 bonus depreciation unlocked

📄 \$100,000+ Year 1 losses created

🇺🇸 \$40,000+ in federal tax savings

📉 37% W-2 income offset

Key metrics



\$87,500

in bonus depreciation unlocked



\$100,000+

in total tax losses generated



\$40,000+

federal tax savings in Year 1



37%

W-2 income offset

[Talk to a Real Estate Tax Advisor](#)



Aiola CPA, PLLC



www.aiolacpa.com



Nationwide

CHALLENGES

Alex wanted to enter real estate with tax benefits but faced three hurdles:

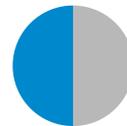
- Finding a property that could qualify for the STR tax strategy.
- Quantifying tax benefits like cost segregation before purchasing.
- Preserving flexibility to pivot to a long-term strategy if needed.

SOLUTIONS

We developed a tailored strategy that combined upfront tax savings with long-term flexibility. By previewing cost segregation benefits, educating on STR rules, and setting up the right entity structure, Alex was able to maximize Year 1 savings while building a scalable foundation.



Cost Segregation Preview



Flexible STR Education



Entity & Accounting Setup



Material Participation Strategy

BENEFITS

1

Immediate Tax Savings

Generated over \$100,000 in Year 1 losses, creating \$40,000+ in federal tax savings.

2

Strategic Flexibility

Documented STR operations allowed Alex to pivot in future years without IRS issues.

3

Long-Term Foundation

Entity formation and accounting setup established a scalable framework for portfolio expansion.