Case Study: $35K+ Year 1 Tax Savings for a High-Income Surgeon

A North Carolina surgeon with $600K+ in household income used STR acquisition planning, cost segregation, and oil and gas investing to reduce taxable income by over $110,000.

At a glance

Profile: Surgeon and spouse ("Dr. Patel")
Location: North Carolina
Investment: Two existing long-term rentals + new STR acquisition + oil and gas fund
Goal: Offset W-2 income using real estate and alternative investment strategies
Key Metrics:
💰 $90,000+ in projected Year 1 STR depreciation
📉 $110,000+ in taxable income reduced
💵 $35,000+ estimated federal tax savings
🛢️ $40,000 in additional oil and gas deductions

Key metrics

$90,000+
in first-year STR depreciation

$40,000
in oil and gas deductions

$110,000+
in taxable income reduced

$35,000+
federal tax savings in Year 1

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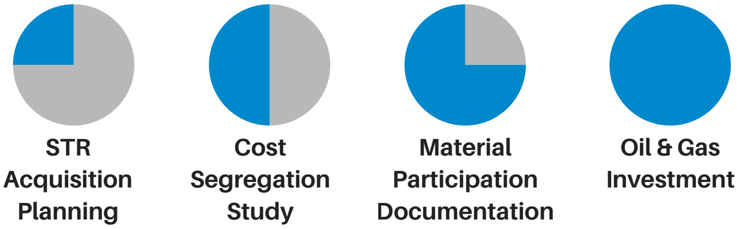
CHALLENGES

The “Patels” owned two rental properties but had little to show for it at tax time:

- $85,000+ in suspended passive losses with no path to use them
- No cost segregation on either property; both on straight-line 27.5-year schedules
- No mid-year planning; prior CPA was annual filing only
- No framework for evaluating STR or oil and gas strategies

SOLUTIONS

We reviewed the Patels' full tax picture, then built a strategy around STR acquisition planning, cost segregation, material participation documentation, and a direct working interest oil and gas investment to unlock nonpassive losses and offset their W-2 income.



BENEFITS

1

Immediate Tax Savings

The STR and oil and gas strategies combined are projected to reduce household taxable income by over $110,000, generating an estimated $35,000+ in federal tax savings in Year 1.

2

Nonpassive Loss Treatment

By structuring the STR acquisition and Mrs. Patel's material participation from day one, losses from the short-term rental are classified as nonpassive and can offset their substantial W-2 income directly.

3

A Year-Round Planning System

The “Patels” moved from a once-a-year filing relationship to quarterly tax reviews, with current time logs, property-specific books, and planning conversations that happen throughout the year rather than just in April.