



CONTADORES  
INTERNACIONALES  
DE LOS CABOS S.C.



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*How to legally rent your second home.*

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## *How to legally rent your second home.*

Vacation home rentals are a very smart way to make some money of your real estate investment, especially in a high end market like Los Cabos, where a luxury 3 bedroom villa can easily generate **\$150,000.00 dollars of income annually!**

If you are considering renting your second home or are currently doing so, it is important to go about this activity legally, reporting your business to the Mexican tax bureau (SHCP), thus incurring in **NO RISK** upon your property.

**Contadores Internacionales de Los Cabos** (CIDLC) is an accounting firm specialized in meeting the needs of international home owners and providing simple and effective means to legalize their business and minimize taxes paid. Setting up the legal structure for rent is not an expensive or complicated process.

Benefits of renting with the CIDLC system:

You are able to deduct many expenses from your rental income, thus reducing your taxable income dramatically.

- Deductable expenses can be:
  - Maintenance costs
  - Utilities
  - Home Insurance
  - HOA fees
  - Transportation costs
  - Catering and entertainment
  - Refurbishing or renovating of property
  - Home Equipment
  - Property Tax
  - Fiduciary costs
  - Rental commission
  - Marketing

- Outdoor activities
- Being able to openly market your property without risk (magazines, internet, etc)
- **No Risk of tax evasion charges** that could have terrible consequences:
  - Fines
  - Revocation of ownership trust (loss of property)
  - Incarceration
- All taxes paid can be credited in the USA.

**Important notice for all current renters:** In the case of any legal or fiscal contingency related to your homes rental activity, the home owner (beneficiary of the trust) is the one liable for any and all related suits. The rental agency will not respond, for they are not responsible for your actions.

### **Why the sudden rush?**

The actual worldwide crisis has strained the public finances and the Mexican government is actively looking for alternate sources of income. One of the targets they have publicly mentioned is foreign home owners who rent their properties and do not declare income to the Mexican Federation. The IRS is also going about collecting taxes on U.S. citizen's extraordinary income, especially from foreign trusts.

CIDLC strongly recommends all home owners that they contact our business consultants and ponder their options. It's a great time to make money off your property, but doing it illegally could be very dangerous!

For more information we would be glad to help and guide you through,  
please contact us at:

[mgmthelp@pedregal.com](mailto:mgmthelp@pedregal.com)