

**Hobby/Loss Rule  
IRC §183**

**Facts and Circumstances Test**

- 1) The manner in which taxpayer carries on the activity.  
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- 2) The expertise of taxpayer or advisors.  
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\_\_\_\_\_
- 3) Time and effort spent by taxpayer in carrying on the activity.  
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- 4) The expectation that assets used may appreciate in value.  
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- 5) Taxpayer's success in other similar or dissimilar activities.  
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- 6) Taxpayer's history of income/loss with respect to the activity.  
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- 7) Amount of occasional profits, if any.  
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- 8) Financial status of taxpayer.  
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- 9) Elements of personal pleasure or recreation.  
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