

Tax Tips for Real Estate Agents

As a licensed real estate agent you will be treated as self employed and allowed to deduct your business expense from your business income.

1. One of your major deductible expense is the business use of your car. You may compute your deduction using one of two methods: actual cost method or standard mileage method.

With the actual cost method, you may deduct the actual expenses of operating your car for business. This includes gas, insurance, parking, repairs, maintenance, license, tag, loan interest, and depreciation.

With the standard mileage method, you keep up with the miles you drive during the year.

2. Keep adequate records for travel, meals and entertainment expense. Out of town travel to conventions, meetings, and other business events is deductible, including the cost of lodging, local transportation, laundry charges, phone calls, etc.

Business travel is fully deductible, although business meals and entertainment are only partially deductible.

An exception to Business meals would be food for an open house, company picnic, etc.. Are 100% deductible.

3. Do not forget stationary, business cards, advertising, and business promotional items (pens, calendars, banners,)

4. As a self employed taxpayer you are permitted to take a deduction for the entire amount of health insurance premiums you pay for yourself and your family

5. Continuing education expenses are deductible.

6. You may take a deduction for dues paid for business related memberships in professional and public service organizations.

7. Employee Children and Grand Children. The first \$5700 of earned income paid to children is taxed at zero to the child.

8. Deduction for home-office expense. You may qualify to write off the business portion of your home utility bills, insurance, maintenance, and other home expenses.

9. Gifts you give to clients are deductible up to \$25 per client.

10. Do not under pay your taxes. There are no income taxes withheld on self employment income, but that does not mean you are not required to pay taxes during the year.

11. Do not under pay your taxes. There are no income taxes withheld on self employment income, but that does not mean you are not required to pay taxes during the year. Self employed individuals are required to pay taxes through quarterly tax payments due on April 15, June 15, September 15, and January 15.

If you are serious about reducing your taxes, please give me a call. I can be reached at 256 603 0558, or you can visit my website at SharonHeinzAccounting.com