

Real Estate Agents Business Expense Tax Deductions

<ul style="list-style-type: none"> ● Form 1099Misc explanation ● The real estate company uses this form to report your earnings to you in January for the prior year. You must know if the amount reported is before or after deductions for expenses such as E&O, B&O, and etc. If the earnings are reported before deductions, then obtain a listing of the deductions from the real estate company so that your tax return can be prepared correctly. ● Advertising ● Yellow Pages ● Promotional flyers and mailers ● Newspaper ads ● Imprinted small gifts for handouts ● Radio and TV ads ● Internet ads ● Small signs ● Ad agency fees ● Business cards ● Auto expense ● Mileage @ 0.40 + parking + interest expense on auto loan OR ● Actual expenses of gas, insurance, tabs, repairs, interest, tires, auto accessories, and depreciation or lease expense. ● Bad Debts: NSF checks ● Commissions and fees ● Independent sales representatives ● Referral fees ● Finders fees ● Employee Benefits ● The following are deductible under a tax benefit plan where certain legal conditions apply: ● Medical insurance ● Medical expenses: doctors, dentists, drugs. ● Disability ins. 	<ul style="list-style-type: none"> ● Term life ins < 50,000 coverage ● SEP, Simple, or Profit sharing contributions ● Equipment ● Furniture and equipment ● Computers ● Printers ● Furniture ● Desks ● Tables ● Photocopiers ● Machinery ● Insurance ● Bond ins. ● Business ins. ● Errors and omissions ins. ● Property ins. ● Interest Expense ● Auto loans ● Credit card interest for business expenses ● Equipment loans ● Legal and Professional ● Legal ● Accounting ● Consulting ● Billing Services ● Answering service ● Temp.agency fees ● Office expense ● Bank charges ● Business related education and continuing education costs ● Credit card processing fees ● Business association dues and subscriptions (not club dues) ● Realtor association dues ● Printing ● Postage and freight ● Office supplies such as paper etc. ● Small office furniture, computer software, and equipment < \$1,000 each 	<ul style="list-style-type: none"> ● Books and magazines ● Clocks, pictures, water cooler rentals, coffee and sodas for clients and employees ● Business gifts < \$25 ● MLS dues ● Desk fees ● Transactions fees ● Digital camera and supplies ● Signs ● Subscriptions ● Keys and key boxes and E-keys ● Rent ● Desk Fees ● Office or desk rent ● Meeting room rentals ● Rental tools and equipment ● Small equipment leases ● Signs ● Repairs and maintenance ● To Equipment, To Furniture, To Machinery, To Tools ● Janitorial ● Taxes ● WA excise tax – B&O tax ● City excise tax ● FICA tax, FUTA tax, Labor and Industries, SUTA tax ● Personal property tax ● State and city licenses ● Real estate license ● Meals, entertainment and travel ● Business meals including Dutch Treat meals ● Athletic and theater events before or after business discussions ● Lodging while traveling for business ● Entertaining at home for business ● Incidental expenses while traveling for business: cleaning etc. 	<ul style="list-style-type: none"> ● Airfare, gas, taxi, shuttle, parking, miles to airport, auto rental. ● Employee events ● Employee dinners to work overtime ● Utilities ● Gas, Electric, Water, Garbage, Cable TV ● Telephone, Cell, Local and long distance, Internet and website hosting service, Alarm service, Pager, Answering Services ● Wages ● Wages paid to: Employees, Spouse, Children ● Office in the Home ● If you do not pay desk fees, then ● Business portion of: Real estate taxes, Mortgage Interest, Gas, electric, water, garbage, Repairs, Home insurance, Home improvements ● Section 1031 Exchanges ● If one of your clients wants to sell a property, that is not their personal residence, and not pay taxes on the gain, then they can do so as long as they meet the criteria and follow all of the rules. ● My firm acts as a facilitator for 1031 exchanges. ● Please have your client contact Hans at 425-485-7853 for a free consultation to discuss the tax savings they can achieve with a 1031 exchange. ● Tax Answers for Real estate Agents and their clients ● If you ever have a tax question or need one answered for one of your clients, please feel free to call me at 425-485-7853. ● I will be glad to serve you.
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