

Real Estate Agent/Broker

Do Your Taxes With Finesse

Working with people. Getting to know your buyers and sellers. The look on a new homeowner's face when you hand them the keys or they see the house that is perfect for them. All of these things are what make being a real estate agent or broker worthwhile. You feel great when a deal closes and you feel successful when you receive a hard earned commission. You can add to those positive feelings with the knowledge that you are taking advantage of every plan, program, deduction, and law that exist to make your tax bill low. Keep your money in your pocket. You earned it.

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LLC

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- Commissions are subject to a variety of taxes
- Federal Income Tax (Average 25%)
- Self Employment Tax (15.3%)
- State Income Tax (DC: 8.5%/MD: 7.5%/VA 5.75%)
- Total Tax: 46%-49%
- Reduce your taxes by tracking your tax deductions (see page 2)
- Learn how to stay organized (bookkeeping, filing systems, etc.)
- Contribute to deductible retirement plans (401K or SEP)
- Make quarterly tax payments
- Carefully plan large automobile or equipment purchases to maximize the tax benefits
- Maintain a home office
- Incorporate your business
- Re-structure health insurance and medical costs as business expenses

Office in Home Deduction

Before you take a deduction on your taxes for expenses related to a home office please be aware of some items:

- Your home office must be regularly and exclusively used for your self employed business
- If you own your home please do your best to have ready a copy of your settlement sheet from when you purchased the home and for all past refinancing

Is your home office used regularly and exclusively for your self employed/home based business? YES _____ NO _____

	Amount	Notes
Living space of the entire home in square feet		
Size of home office in square feet		
First Mortgage Interest		
Second Mortgage Interest		
Equity Line Interest		
Other Home Mortgage Interest (Private Party)		
Property Taxes Paid		
Insurance (Homeowner's or Renter's)		
Repairs to home (plumbing, electrical, structural)		
Repairs limited directly to the home office		
Cleaning		
Condo Fee or Home Owners Association Dues		
Electricity		
Gas		
Oil		
Water		
Trash Collection		
Alarm System		
Date you purchased your home		
Date you placed your home in service for business		If different from purchase date
Value of land at the time of purchase		
Improvements (Describe under NOTES)		
Improvements (Describe under NOTES)		
Improvements (Describe under NOTES)		
Other Expenses (Describe under NOTES)		
Other Expenses (Describe under NOTES)		

Auto & Business Travel Deductions

Automobile Information and Expenses		Business Related Travel Expenses	
What kind of car/truck/SUV do you have?		Number of Days on Travel	
When did you place your auto in service?		Air Fare (including baggage fees)	
Purchase Price (including sales tax)		Train Fare	
Do you lease your vehicle?		Car Rental (including insurance and fees)	
If so, how much is your monthly lease cost?		Gasoline for Rental Car	
Mileage on Jan 1st of this year		Taxis & Local Transportation	
Mileage on Dec 31st of this year		Hotel Room	
Total Miles Driven This Year		Telephone & Fax	
Business Miles		Dry Cleaning (only while on travel)	
Commuting miles (if applicable)		Entertainment	
Average daily commute (if applicable)		Meals	
Gasoline		Tips & Gratuities	
Oil and Filter Changes		Internet Access Charges	
Repairs & Maintenance		Travel Agency Fees (Orbitz/Travelocity)	
Tires, Alignments, Rotations, & Balancing		"Clear Card" Security Pass Fees	
Towing or Storage Charges		<ul style="list-style-type: none"> • If you wish to take a deduction for usage of your automobile it is the recommendation of this firm that you have a mileage log • Even if you take a percentage of your expenses rather than the standard mileage rates you must maintain mileage records in order to figure out your business use percentage • A mileage log can be in writing or there are devices available that will automatically track your mileage for you. • When taking a deduction for business travel please ensure that the travel in question held with it a legitimate business purpose. That includes but is not limited to: a client meeting, income producing property sale or arrangement, or was related to a professional seminar/education session directly related to your business. • For more clarification about whether your automobile or your travel is deductible please email or call our office and we will be happy to assist you further. 	
Insurance			
Registration, Licensing, and Tags			
Auto Club, OnStar, AAA, Roadside Assistance			
Basic or Extended Warranty Charges			
Safety & Emissions Inspections			
Car Washes, Detailing, & Cosmetic Repair			
Accessories (Floor Mats, Tint, Sound System)			
Auto Loan Interest (if financed)			
Parking & Tolls (EZ Pass Monthly Fees)			
Car Tax or other value based vehicle taxes			