



## Tax Deductions for Relators

**Income** - Copies of checks received and commission reports.

**Advertising** - Business cards, flyers, newspaper ads, ads in Real Estate publications, phone book ads, Sponsorships, postage for mailers, etc.

**Commissions and Fees** - Fees paid to Real Estate office, commission splits, association fees, pay to assistants, etc.

**Children** - Money paid to children for helping deliver flyers, stuffing envelopes, cleaning office, cleaning car, etc.

**Educational Expense** - Seminars, classes, home shows, etc.

**Home Office** - A separate room in your home to do business and accounting. A percentage of utility Bills, home owners insurance, property tax, mortgage interest, refinance fees, repairs and maintenance, cleaning supplies, office decor, etc. are deductible.

**Gifts** - Gifts to sellers, buyers, other Realtors, office help, lenders, title officers, etc.

**Insurance** - Errors and Omission, liability, warranties, etc.

**Legal and Professional Services** - Lawyers, appraisers, inspectors, accountants, etc.

**Office Expense** - Bank charges, office supplies, postage, fax expense, forms, computer programs and supplies, day planner palm pilots, internet, repairs to office equipment, etc.

**Purchases** - Equipment purchases over \$200 such as computers, office furniture and equipment, vehicles, etc.

**Rent and Lease** - Office space, storage, equipment, etc.

**Supplies** - Signs, flyer boxes, key boxes, meeting supplies and refreshments, brief case.

**Taxes and Licenses** - Realtor licenses, testing for license, property tax on equipment.

**Telephone** - Cell phone, long distance calls on home phone, extra phone lines into home.

**Travel** - Hotels, airfare, cab fare, parking, cleaning while away from home, travel log, etc.

**Meals and Entertainment** - Out of town meals, meals with clients, associates and potential clients, tickets for events with or for clients.

**Mileage or Vehicle** - There are two ways to take a vehicle expense. One is to take the mileage to and from office, showing homes, posting signs, filling flyer boxes, looking at homes, picking up supplies and office expense, copy store, meals with clients, vehicle repairs, driving out of town, seminars, classes, giving out business cards, etc. The other way is to take the expense of using the vehicle: fuel, parts, mechanics, oil changes, etc. Along with taking expenses, you can also depreciate the vehicle.

Lone Peak Business Solutions, Inc.

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