

Tax Deductions for Real Estate Agents

Advertising

Yellow Pages _____
 Flyers & Mailers _____
 Newspaper Ads _____
 Imprinted Small Gifts _____
 Radio/TV Ads _____
 Internet Ads _____
 Signs _____
 Ad Agency Fees _____
 Business Cards _____

Auto Expense

Mileage plus parking &
 interest expense on auto loan _____
 OR
 Actual expenses of gas,
 insurance,tabs,repairs,interest,
 tires,auto accessories, and
 depreciation or lease expense _____

Commision & Fees

Referral Fees _____
 Finder's Fees _____

Equipment

Furniture _____
 Computers _____
 Printers _____
 Desks _____
 Tables _____
 Copier _____

Insurance

Bond insurance _____
 Business Insurance _____
 Errors & Omissions Insurance _____
 Property Insurance _____

Interest Expense

Auto Loans _____
 Credit Card Interest for business
 expense _____
 Equipment Loans _____

Legal & Professional

Legal _____
 Accounting _____
 Consulting _____
 Billing Service _____
 Answering Service _____
 Temp-Agency Fees _____

Office Expense

Bank Charges _____
 Business Related Education _____
 Credit Card Processing Fees _____
 Business Associates Dues &
 Subscriptions(no club dues) _____
 Realtor Association Dues _____
 Printing _____
 Postage & Freight _____
 Office Supplies _____
 Books & Magazines _____
 Business Gifts< \$25.00 _____
 MLS Dues _____
 Desk Rent/Fees _____
 Transactions Fees _____
 Camera & Supplies _____
 Subscriptions _____
 Keys, Key Boxes, & E-Keys _____

Repairs & Maintenance

To equipment, To Furniture,
 Janitorial _____

Taxes

FICA tax, FUTA tax _____
 State Unemployment Tax _____
 Personal Propety Tax _____
 State & City Licenses _____
 Real Estate License _____

Meals & Travel

Business Meals incl. _____
 Dutch Treat Meals _____
 Athletic & Theater Events _____
 Lodging While Traveling _____
 Entertaining at Home
 for Business _____
 Incidental Expenses While
 Traveling for Business _____
 Airfare, Gas, Taxi, Shuttle, _____
 Parking, Miles to Airport, Auto
 Rental _____
 Employee Events _____
 Employee Dinners to Work _____
 Overtime _____

Utilities

Gas,Electric,Water,Garbage, _____
 Cable _____
 Telephone,Cell,Local & Long _____
 Distance,Internet,Website _____
 Hosting,Service,Alarm Service, _____
 Pager,Answering Service _____

Wages

Paid to Employees, Spouse,
 Children _____

Office in Home

Business Portion of:Real Estate
 Taxes, Mortgage Interest,Gas, _____
 Electric,Water,Garbage,Repairs, _____
 Home Insurance,Home _____
 Improvements _____

IRS RECORDKEEPING REQUIREMENTS

Period of Limitations that apply to income tax returns

1. Keep records for 3 years if situations (4), (5), and (6) below do not apply to you.
2. Keep records for 3 years from the date you filed your original return or 2 years from the date you paid the tax, whichever is later, if you file a claim for credit or refund after you file your return.
3. Keep records for 7 years if you file a claim for a loss from worthless securities or bad debt deduction.
4. Keep records for 6 years if you do not report income that you should report, and it is more than 25% of the gross income shown on your return.
5. Keep records indefinitely if you do not file a return.
6. Keep records indefinitely if you file a fraudulent return.
7. Keep employment tax records for at least 4 years after the date that the tax becomes due or is paid, whichever is later.

Are the records connected to property?

Generally, keep records relating to property until the period of limitations expires for the year in which you dispose of the property. You must keep these records to figure any depreciation, amortization, or depletion deduction and to figure the gain or loss when you sell or otherwise dispose of the property.

If you received property in a nontaxable exchange, your basis in that property is the same as the basis of the property you gave up, increased by any money you paid. You must keep the records on the old property, as well as on the new property, until the period of limitations expires for the year in which you dispose of the new property.

Supporting Business Documents

Purchases, sales, payroll, and other transactions you have in your business will generate supporting documents. Supporting documents include sales slips, paid bills, invoices, receipts, deposit slips, and canceled checks. These documents contain the information you need to record in your books. It is important to keep these documents because they support the entries in your books and on your tax return. You should keep them in an orderly fashion and in a safe place. For instance, organize them by year and type of income or expense.

The following are some of the types of records you should keep:

Gross receipts are the income you receive from your business. You should keep supporting documents that show the amounts and sources of your gross receipts. Documents for gross receipts include the following:

- Cash register tapes
- Deposit information (cash and credit sales)
- Receipt books
- Invoices
- Forms 1099-MISC

Purchases are the items you buy and resell to customers. If you are a manufacturer or producer, this includes the cost of all raw materials or parts purchased for manufacture into finished products. Your supporting documents should show the amount paid and that the amount was for purchases. Documents for purchases include the following:

- Canceled checks or other documents that identify payee, amount, and proof of payment/electronic funds transferred
- Cash register tape receipts
- Credit card receipts and statements
- Invoices

Expenses are the costs you incur (other than purchases) to carry on your business. Your supporting documents should show the amount paid and a description that shows the amount was for a business expense.

Documents for expenses include the following:

- Canceled checks or other documents that identify payee, amount, and proof of payment/electronic funds transferred
- Cash register tapes
- Account statements
- Credit card receipts and statements Invoices

Travel, Transportation, Entertainment, and Gift Expenses

If you deduct travel or transportation expenses, you must be able to prove (substantiate) certain elements of expenses.

If you choose to use the standard mileage for deducting your vehicle expenses you must keep a detailed mileage log which documents the following:

1. Date of trip
2. Where the trip started
3. Where the trip ended
4. The number of round trip miles
5. The business reason for the trip

For additional information, refer to [Publication 463, Travel, Entertainment, Gift, and Car Expenses](#).

Assets are the property, such as machinery and furniture, that you own and use in your business. You must keep records to verify certain information about your business assets. You need records to compute the annual depreciation and the gain or loss when you sell the assets. Documents for assets should show the following information:

- Expenses of sale
- When and how you acquired the assets
- Purchase price
- Cost of any improvements
- How you used the asset
- When and how you disposed of the asset
- Selling price

The following documents may show this information.

- Purchase and sales invoices
- Real estate closing statements
- Canceled checks or other documents that identify payee, amount, and proof of payment/electronic funds transferred