

### **Track Your Business Expenses**

- Most expenses will save you over 40% on your taxes. For example: a \$1000 computer will really only cost you \$600 out of pocket
- Self-employed people have relatively complicated returns and are frequent targets of IRS audits

### **Auto Expenses**

- Car expenses are one of the largest Realtor deductions!
- Keep a detailed mileage log to substantiate your business miles (It's usually the first item the IRS requests)
- Don't forget to deduct the interest on your car loan

### **Office-In-Home**

- An Office-In-Home deduction is allowed provided the area is used regularly and exclusively for business use
- Maintain records of your utility bills, home repairs, insurance, condo fees, etc...

### **Estimated Tax Payments**

- State and Federal due dates are April 15th, June 15th, September 15th and January 15th

### **Hire Your Spouse**

- As a self-employed individual you are allowed to hire your spouse and deduct 100% of your medical bills as business expenses
- You also have the option to hire your children and there are tax advantages for doing so.
- NOTE: Both situations require a written plan in accordance with IRS regulations.
- Tax-Masters charges \$540 to set up these plans.

### **Individual 401k plan**

- As a realtor you may set up a solo 401k providing you with three benefits:
- Total protection of your retirement assets from creditors and lawsuits (IRS and Spouse excluded)
- You may borrow from your plan if you need liquid cash (ex. Purchase of a rental property)
- Much more generous contribution limits than that of an IRA or a SEP IRA.