



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.

Finesse Tax Accounting, LLC

1600 Wilson Blvd.
Suite 720
Arlington, VA 22209

Office: 703-812-4750
Fax: 240-559-0990
Email: info@finesstax.com
Website: www.finesstax.com



- Commissions are subject to a variety of taxes
- Federal Income Tax (Average 20-25%)
- Self Employment Tax (15.3-16.2%)
- State Income Tax (DC: 8.95%) (MD: 8.95% includes county tax) (VA 5.75%)
- Total Tax: 40.05%-50.15%
- 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 also known as "Estimated 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

Home Office 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) | | |
| Rent Paid | | |
| 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) | | |

Remember your home office must be regularly and exclusively used for your business in order to be a tax deduction

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 | |
| Repairs & Maintenance | | Internet Access Charges | |
| Tires, Alignments, Rotations, & Balancing | | Travel Agency Fees (Orbitz/Travelocity) | |
| Towing or Storage Charges | | “Clear Card” Security Pass Fees | |
| Insurance | | <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. | |
| Registration, Licensing, and Tags | | | |
| Auto Club, OnStar, AAA, Roadside Assistance | | | |
| Basic or Extended Warranty Charges | | | |
| Safety & Emissions Inspections | | | |
| Car Washes, Detailing, & Cosmetic Repair | | | |
| Mile Logging Device or Fees | | | |
| 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 | | | |