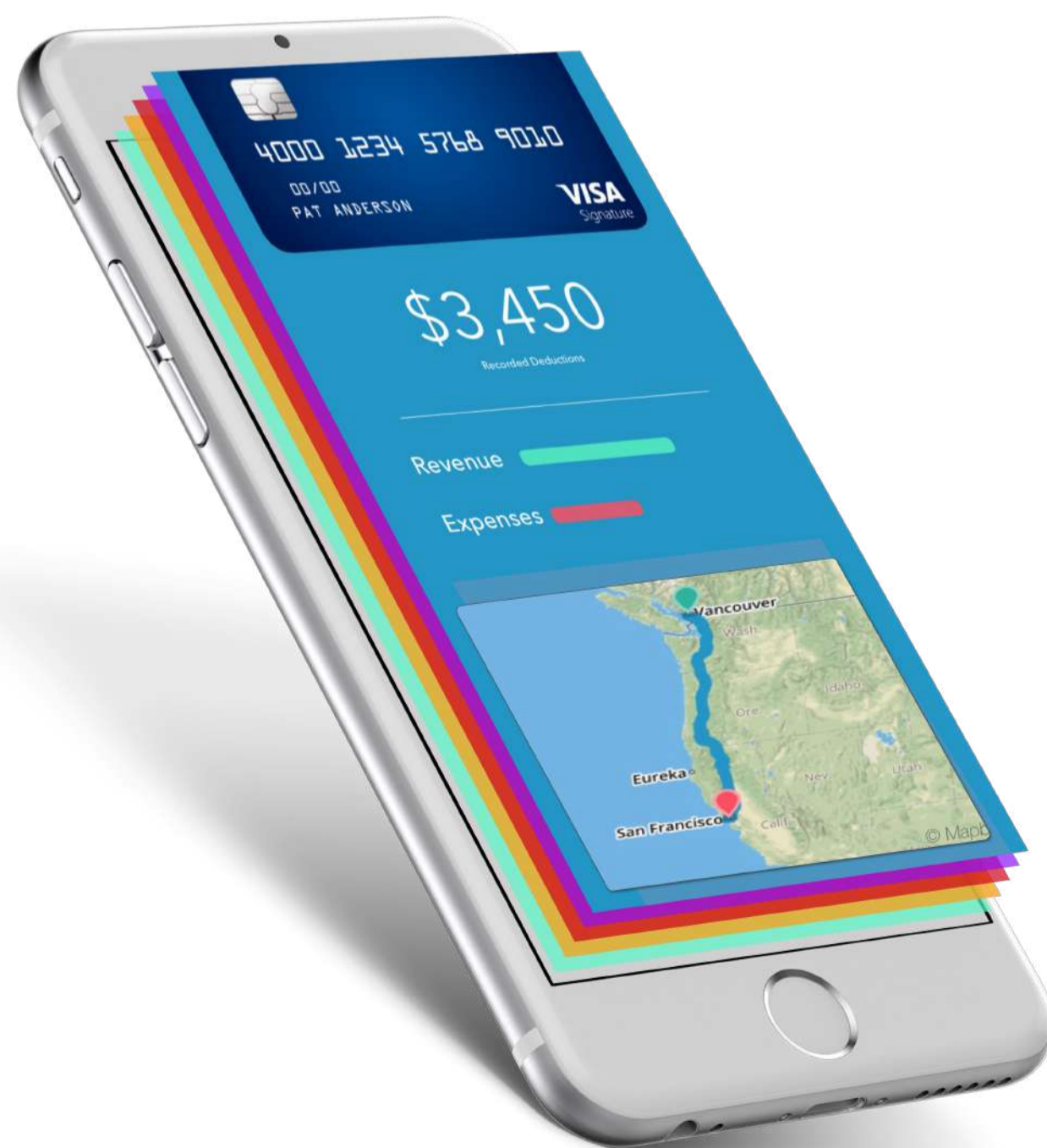


TAX TIPS 2020

REAL ESTATE AGENT TAX DEDUCTION CHECKLIST

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WHY IT'S IMPORTANT TO TRACK MILEAGE & EXPENSES

As independent contractors, real estate agents can typically claim certain business expenses as tax deductions on their income tax filings. Taking advantage of these available tax deductions can dramatically boost your effective take-home pay!

However, most real estate agents don't maximize the tax deductions that are available to them!

Why? Properly tracking business mileage and expense receipts can be painstaking and nuanced tax rules can be confusing.

Don't worry! Everlance is here to help. The best tax preparation strategy is a combination of streamlined process and great technology.

That's why we've put together this handy tax preparation checklist for real estate agents!

When used with a mileage and expense tracking app like **Everlance**, this guide can help make tax preparation easier and put more money back in your pocket!

Don't have the Everlance app on your phone?

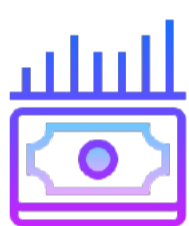
[Download It Free Today](#)

WHY IT'S IMPORTANT TO TRACK MILEAGE & EXPENSES

Why is it important to track your mileage?

A penny saved is a penny earned, right? The same holds true for your annual tax returns. If you're not tracking your mileage and fully maximizing available tax deductions, you're leaving earnings on the table!

Using a mileage tracking app like [Everlance](#) to streamline the required documentation process will allow you to:



Save Money on your Taxes

The miles you drive for business can be deducted from your annual taxes. The [Standard IRS Mileage Rate for 2020 is \\$0.575/mile](#), so this amount can add up quickly!



Save Time Keeping Records

To claim this deduction, the IRS has [specific documentation requirements](#). Automate this with a mileage tracking app like Everlance.



Save Time during Tax Preparation

After using a mileage tracking app like Everlance, generating year-end reports for your tax filing is a breeze!



Stay IRS Compliant

The IRS [prohibits you from constructing a mileage log after the fact](#), and these records are frequently requested during an IRS audit.



Why Everlance?

[Everlance](#) is the #1-rated mileage and expense tracking app for both iOS and Android. Use GPS to automatically track every business mile from your smartphone. Link bank accounts too effortlessly track revenue and expenses. Trusted by over 1 million users, Everlance was named "Best New App" by both Apple and Google, and helps real estate professionals maximize tax deductions while saving time and stress!

EVERLANCE PREMIUM BENEFITS & C.A.R. MEMBER DISCOUNT

Want a discount on Everlance Premium?

CALIFORNIA ASSOCIATION of REALTORS® Members can get Everlance Premium at no cost for 3 months!

This will allow you to access great premium features, such as:

**Unlimited mileage tracking**

Automatically track all of your trips. Set it and forget it!

**Bank & Card integration**

Connect your bank and credit cards & find more deductions than ever before.

**Advanced PDF Reports**

Keep better personal and business records, including IRS compliant mileage logs.

**Rules for Work Hours**

Automatically classify your trips based on custom rules.

**Want help saving for future tax payments?**

Everlance Tax Vault© will automatically save a portion of your income into a dedicated savings account. The money is yours and you're free to withdraw from it at any time. Come tax day, you'll be prepared with savings on hand to make any necessary tax payments!

COMMON TAX DEDUCTIONS FOR REAL ESTATE AGENTS

Every individual's tax situation is unique, but here are a few common tax deductions specific to real estate agents. To learn more about rules for business expense record keeping, see [IRS Publication 583](#).

2020 Standard
Mileage Rate

57.5
cents per
mile

1. Business Mileage

Whether you deduct the [IRS Standard Mileage Rate](#) or track actual vehicle expenses, qualified business mileage can be a deductible expense.

Not sure which option is best for you? See this guide outlining the [actual expenses method vs. the standard mileage rate](#). In either case, a mileage tracking app like [Everlance](#) can automate and simplify this process!



2. Commissions Paid

If you pay commissions to other agents or employees that work with or under you, these may be fully deductible expenses.



3. Business Software & Tools

If you use software to run your business, this may be fully deductible. These expenses might include payments for customer relationship management (CRM) platforms, lead generation tools, or even software like [Everlance](#) to track your business mileage and expenses!



4. Brokerage Desk Fees

Any desk fees you pay to a national franchise or independent broker are generally deductible. Just be aware that you cannot deduct desk fees and the home office deduction (see below).

COMMON TAX DEDUCTIONS FOR REAL ESTATE AGENTS



5. Home Office & Office Supplies

Unless you are already deducting brokerage desk fees (see above), you may be able to take advantage of the home office deduction if you conduct business out of your home.

It's important that the space be used [regularly and exclusively](#) for business and -- similar to vehicle expense deductions -- either a [simplified method or regular method](#) apply for calculating the deduction amount.

Regardless of whether you deduct desk fees or take the home office deduction, other office-related expenses -- such as stationary, photocopies, office equipment -- can be claimed as a business write-off.



6. Education & Training

It's important to stay on top of your real estate game! In many cases, classes or training that maximize your professional potential may be tax deductible.

However, be aware that for these expenses to be deductible they must maintain or improve skills related to the field of real estate. Furthermore, they cannot qualify you for another trade or business, in addition to [other IRS requirements](#).



7. Marketing & Advertising Expenses

That's right: staging, photography, and signage costs might all be deductible under this category, in addition to marketing materials like business cards and brochures. Many top producers also invest in digital and online advertising, which frequently qualifies as a deductible expense, as well.

COMMON TAX DEDUCTIONS FOR REAL ESTATE AGENTS



8. Client Meal Expenses

IRS rules are very specific about meals and entertainment expenses. Two general situations qualify: when you are traveling for business and when you're dining with clients to discuss business. In general, meal expenses are subject to a 50% limit for deductions, among [other restrictions and guidelines](#).



9. Fees, Insurance, & Licenses

State license renewal, association membership fees, errors and omissions (E&O) insurance? You guessed it! These expenses are generally fully deductible. Note, however, that any portion of membership fees that fund lobbying or political advocacy is not deductible.



10. Business Gifts

The IRS has [very specific stipulations](#) for deducting the cost of business gifts. According to these rules, the gift must be in the course of your trade or business and deductions are limited to \$25 of the gift's cost per recipient per yer (not including packing or shipping). However, gifts that cost less than \$4, are distributed regularly, and engraved with your business name won't count towards this \$25 limit, among other guidelines.

Curious about Additional Tax Deductions?

[Everlance Deduction Finder](#)© will automatically review your transaction history to identify potential tax breaks using our proprietary technology. The process is quick and secure; Everlance uses the same 256 bit encryption security as a bank.

Within 30 seconds our technology will scan your transactions for potential tax deductions. Review the list of potential business expenses and generate an IRS-ready report, with just a few easy clicks!

ADDITIONAL BEST PRACTICES FOR TAX PREPARATION

Keep Separate “Business” and “Personal” Financial Accounts!

Keeping business activity separate from your personal finances will make tax preparation much easier and avoid major headaches during an IRS audit.

[Everlance Expense Tracking](#) can do the hard work for you! Use the app to track expense activity on a dedicated business card or bank account and keep your records in order!

Plan Ahead for Tax Payments!

Independent contractors don't have the benefit of an employer to withhold taxes on their behalf and make quarterly payments to the IRS. Instead, it's up to each real estate agent to prepare for their own tax payments.

The best practice is to set aside a portion of each sales commission or other independent contractor income for potential tax bills. Let Everlance automate this for you and make life easy!

[Everlance Tax Vault](#)© will automatically save a portion of your income into a dedicated savings account. The money is yours and you're free to withdraw from it at any time. Come tax day, you'll be prepared with savings on hand for any tax payments!

Get a Professional Bookkeeper!

Great mileage and expense tracking software like Everlance can do much of the business expense documentation for you. You may also want a professional bookkeeper to provide regular advice and further lighten the tax preparation load.

[Everlance for Tax Pros](#) is a 100% free portal for accountants, to make preparation seamless between you and your bookkeeper.