

KEY EXPENSES

AUTO TRAVEL:

Your auto expense is based on the number of qualified business miles you drive. Expenses for travel between business locations or daily transportation expenses between your residence and temporary work locations are deductible; include them as business miles. Expenses for your trips between home and work each day, or between home and one or more regular places of work, are COMMUTING expenses and are NOT deductible.

Document business miles in a record book as follows: (1) give the date and business purpose of each trip; (2) note the place to which you traveled; (3) record the number of business miles; and (4) record your car's odometer reading at both the beginning and end of the tax year. Keep receipts for all car operating expenses – gas, oil, repairs, insurance, etc. – and of any reimbursement you received for your expenses.

OUT-OF-TOWN TRAVEL:

Expenses incurred when traveling away from "home" overnight on job-related and continuing education trips that were not reimbursed or reimbursable by your employer are deductible. Your "home" is generally considered to be the entire city or general area where your principal place of employment is located. Out-of-town expenses include transportation, meals, lodging, tips and miscellaneous items like laundry, valet, etc.

Document away-from-home expenses by noting the date, destination and business purpose of your trip. Record business miles if you drove to the out-of-town location. In addition, keep a detailed record of your expenses – lodging, public transportation, meals, etc. Always list meals and lodging separately in your records. Receipts must be retained for each lodging expense. However, if any other business expense is less than \$75, a receipt is not necessary if you record all of the information timely in a diary. You must keep track of the full amount of meal and entertainment expenses even though only a portion of the amount may be deductible.

PROFESSIONAL FEES & DUES:

Dues paid to professional societies related to your profession are deductible. These could include professional organizations, business leagues, trade associations, chambers of commerce, boards of trade and civic organizations. However, dues paid for memberships in clubs organized for business, pleasure, recreation or other social purpose are not deductible. These could include country clubs, golf and athletic clubs, airline clubs, hotel clubs and luncheon clubs.

COMMUNICATION EXPENSES:

The basic local telephone service costs of the first telephone line provided in your residence are not deductible. However, toll calls from that line are deductible if the calls are business-related. The costs (basic fee and toll calls) of a second line in your home are also deductible if the line is used exclusively for business.

When communication equipment, such as a cell phone, is used part for business and part personally the cost of the equipment must be allocated to deductible business use and non-deductible personal use. Keep your bills for cellular phone use and mark all business calls.

CONTINUING EDUCATION:

Educational expenses are deductible under either of two conditions: (1) your employer requires the education in order for you to keep your job or rate of pay; or (2) the education maintains or improves your skills in your profession. Costs of courses that are taken to meet the minimum requirements of a job, or that qualify you for a new trade or business, are NOT deductible.

EQUIPMENT PURCHASES:

Record separately items having a useful life of more than one year. Normally, the costs of such assets are recovered differently on your tax return than are other recurring, everyday business expenses like business cards, office supplies, etc.

SUPPLIES & EXPENSES:

Generally, to be deductible, items must be ordinary and necessary to your real estate profession and not reimbursable by your employer.



Occupational Series



INTRODUCTION

In order to deduct expenses in your trade or business, you must show that the expenses are "ordinary and necessary." An ordinary expense is one that is customary in your particular line of work. A necessary expense is one that is appropriate but not necessarily essential in your business. The application of these terms to you relies heavily on the "facts and circumstances" of your unique situation.

PROFESSIONAL FEES & DUES:

Association Dues	
Chamber of Commerce	
License	
Realty Board	
Other: _____	
Other: _____	

OUT-OF-TOWN TRAVEL:

Airfare	
Bridge & Highway Tolls	
Bus & Subway	
Car Rental	
Laundry	
Lodging (do not combine with meals)	
Meals (do not combine with lodging)	
Parking	
Porter, Bell Captain	
Taxi, Uber, Lyft & similar	
Telephone Calls (including home)	
Train	
Other: _____	

AUTO TRAVEL:

Client Meetings (mi)	
Continuing Education (mi)	
Escrow & Loan Office Trips (mi)	
Out-of-Town Business Trips (mi)	
Showing Property (mi)	
Parking Fees (\$)	
Tolls (\$)	
Other: _____	
Other: _____	

COMMUNICATION EXPENSES:

Cellular Service	
Fax Transmissions	
Paging Service	
Phone Card	
Toll Calls	
Internet Access	
Other: _____	

CONTINUING EDUCATION:

Correspondence Course Fees	
Materials, Supplies & Textbooks	
Seminar Fees	
Other: _____	
Other: _____	
Other: _____	

EQUIPMENT PURCHASES:

Answering Machine	
Calculator	
Camera	
Computer Equipment	
Copy Machine, Printer	
Fax Machine	
Pager	
Recorder	
Telephone	
Other: _____	
Other: _____	
Other: _____	
Other: _____	

SUPPLIES & OTHER EXPENSES:

Advertising, Signs, Flags & Banners	
Appraisal Fees	
Attorney Fees	
Bank Charges	
Briefcase	
Business Meals (enter 100% of expense)	
Business Cards	
Clerical Service	
Computer Software & Supplies	
Courier Service	
Entertainment (enter 100% of expense)	
Equipment Repair	
Fax Supplies	
Film & Processing	
Finder's Fees	
Gifts & Flowers (max. \$25 per person per year)	
Greeting Cards	
Insurance - Errors & Omission and Liability	
Legal & Professional Services	
Lockboxes, Keys & Locksmith	
Map Book	
Multiple Listing Service	
Office Expenses	
Open House Expenses	
Photocopy & Printing Expenses	
Postage	
Referral Fees	
Rent	
Repairs to Sell Listed Property	
Shipping	
Stationery	
Other: _____	