



# The 7 Deadly Tax Sins of Real Estate Agents

## (and how to avoid them)

Amidst all the emails, phone calls, viewing appointments and oh yes, more viewing appointments, you were supposed to be keeping track of where all the money went, right? Reality sets in when you see the tax bill. Below are the seven most common challenges Real Estate professionals face, along with real solutions to these real problems.

- 1 Little to no record keeping, and the tax time guessing game.**  
You need to keep track of it all, i.e. the meals, the miles, the gifts and the signs, etc.
- 2 Paying thousands in Self-Employment Taxes**  
A different type of business structure could save you literally thousands of dollars in taxes!
- 3 Double deducting broker expenses**  
Your 1099 could be equal to the gross, or the net proceeds. Which is it? And should you then deduct the fees that came out of your gross commission, or are they already deducted? A tax professional can assist you with taxes, bookkeeping and financial services, and will keep track of exactly what is and what isn't deductible, keeping you audit proof!
- 4 Taking on too high of personal risk**  
First, excellent record keeping and due diligence will save the day. But when the unexpected happens, be prepared by structuring your business so that you are not personally liable for legal challenges of your business! There are multiple layers of protection available that a tax professional can explain to you.
- 5 Overstating some, yet forgetting other expenses**  
Playing the guessing game on expenses is a prickly way to get taxes done, maybe even a recipe for an audit from the IRS. And, you could be missing many thousands in legitimate expenses you actually paid, or can get a deduction for on your taxes. Find a tax professional that specializes in real estate businesses.
- 6 Paying outrageous fees for professional tax services**  
Take the time to get referrals to make sure you are not paying too much for the service you are receiving.
- 7 Not making timely, if any, tax deposits**  
Wouldn't it be great to have an automatic process in place to make sure you're covered for taxes each year? And even better, how about cutting your tax bill by over 50% permanently! There are solutions for Real Estate Agents. Talk to a tax professional and learn how you can save thousands in underpayment penalties, self-employment taxes, and federal income taxes.