

FAQs for Realtors & their Clients- 2016

REALTORS

1. How do I keep track of my deductible business expenses? (vs. personal)

- Bank & Credit card statements
- Folders by expense type
- Excel Spreadsheet

2. Should I keep track of mileage for my automobile, **OR** expenses?

- .54 / mile OR all vehicle expenses (including lease, gas, insurance, repairs)
- .19 / mile for medical, .14 / mile for charitable.

3. What should I do with all my receipts?

Folders or Envelops by year by type of expense: advertising, vehicle expense or mileage, commissions and fees, contract labor, employee benefits, insurance other than health, health insurance, mortgage interest, other interest, legal & professional services, office expense, pension & profit sharing, rent of vehicles, machinery & equipment, business property rental, repairs and maintenance, supplies, taxes & license, travel, meals & entertainment, utilities, wages, staging storage and expenses, other...

4. How do I figure out a home office expense?

exclusive use of area by business - % of residence costs, to include: Mortgage interest, real estate taxes, insurance, rent, repairs & maintenance, utilities, condo fees, other expenses

5. Can I deduct contributions to a SEP-IRA retirement account?

25% gross earnings up to \$53K

6. How do I file my business *and* personal tax return?

Type of business? S Corp, C corp, PTSP - business return separate - 1120 or 1065
LLC - part of Individual return - Sch C on the 1040

& THEIR CLIENTS

1. Am I current on my income tax returns and liabilities?

Transcript (online)

2. How do I report the sale of my house on my tax return?

Calc basis of property (purchase price + capital improvements)
250K / 500K gain excluded

3. What are the tax deductions for my new home?

Itemized Sch A includes: mortgage interest, Personal property tax, real estate tax, medical, charitable, unreimbursed business expense

4. How do I keep track of my rental property income and expenses?

Separate file for each property

Sch E for type of expenses, includes: advertising, auto/travel, cleaning and maintenance, commissions & fees, insurance other than health, legal and other professional fees, management fees, mortgage interest paid to banks, other interest, repairs & maintenance, supplies, taxes & license, utilities, other

5. How do I file my taxes if I just got married or divorced?

MFJ or MFS or Single or Head of Household - depends

6. Are there any deductible expenses allowed for my refinanced home mortgage?

Points over life of refi