

## Blackford CPA

### Common Real Estate Agent Expenses

The law around deductibility centers on two concepts: ordinary and necessary. If these are the types of expenses that would be ordinarily incurred in your line of work and necessary to do your job they are deductible. Here is a listing of the most common real estate professional expenses you may incur. This list is not exhaustive so if you are in doubt please ask me!

- 1) Licenses. Your state license expense as well as any county or city occupational licenses you may need
- 2) Commissions. Commissions you pay to other agents or employees are fully deductible business expenses.
- 3) Property marketing Online and newspaper ads, photography, staging, open house supplies and signage
- 4) Productivity software All software purchased to help you including bookkeeping software, Lead generation software, or marketing automation software
- 5) Office supplies Office-related purchases like stationery, photocopies, and computer equipment and phones and tablets
- 6) Business, E&O Insurance General business, as well as Errors and Omissions (E&O)
- 7) Education & training Registration fees and materials for all continuing education seminars or programs as well as the travel expenses if applicable are deductible
- 8) Parking and Tolls
- 9) Dues and subscriptions
- 10) MLS dues, and professional memberships roadside assistance
- 11) Directly related Home Office Expenses The business portion of your cell phone bill, the business portion of internet bill; home office furniture and supplies
- 12) Indirectly related Home Office Deduction expenses. A portion of your mortgage interest, property taxes, homeowner's insurance; home utilities and maintenance expenses
- 13) Meals for work If you discuss work with a coworker, client, or even a friend. Keep track of your receipts and label them with the business purpose.
- 14) Travel When you are traveling for work, all meals are tax deductible. All transportation expenses to get you to and from your work destination are deductible, including the mileage driven if you take your own car. When you travel for work, lodging expenses such as hotel rooms or Airbnb are write offs. Only in "Travel" mode, are laundry expenses deductible. Dry cleaning otherwise is not a write off.