

THE REAL BUZZ



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Tax Savvy: Essential Tips for Real Estate Agents

Real estate agents can avoid common tax pitfalls with a little foresight and planning. Here are some key strategies:

- **Gather Documents Early:** Don't wait until tax season to collect receipts and business expenses. Organize them throughout the year for a smooth filing process.
- **Don't Forget Assets:** As your business grows, remember to report all company assets, including those used for high expenses like mileage. Failing to do so could lead to tax penalties.
- **Go Beyond Basic Filing:** Tax preparation software simplifies filing, but it doesn't optimize your deductions. A qualified tax professional can identify missed deductions and minimize your tax burden.
- **The IRS: Not Your Tax Advisor:** While the IRS collects taxes, they don't offer tax-saving advice. Their role is revenue collection, not taxpayer education.
- **Proactive Tax Planning:** Don't make major financial decisions without consulting your tax advisor. They can help you structure investments to maximize tax benefits.
- **View Your Tax Advisor as a Partner:** Your tax advisor is more than just a seasonal preparer. Develop an ongoing relationship with them throughout the year. Regular communication allows them to educate you on tax-saving strategies well before filing deadlines.
- **Signs of a Good Tax Advisor:** Look for a tax professional who invests time in your education and maintains consistent communication throughout the year.

By following these tips, real estate agents can minimize tax burdens and maximize their financial success.