

# key expenses

## **AUTO TRAVEL:**

Your auto expenses 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 place of work, are COMMUNTING expenses and are NOT deductible.

Documents 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 our 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 accrued when traveling away from “home” overnight on job-related and continuing education trips are deductible. Your “home” is generally considered to be the entire city of 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 purposes 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 you records. Receipts must be retained for each lodging expenses. However, if any other business expenses is less than \$75, a receipt is not necessary if you record all of the information in a timely 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. However, the cost of initial admission fees paid for membership in certain organization or social clubs are considered capital expenses.

## **TELEPHONE 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.

## **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 o pay: or (2) the education maintains or improves 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 from other supplies the costs of business assets that are expected to last longer than one year and cost more than \$100. 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  
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