# Business Booster

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## Beware of These IRS Audit Triggers

Now that tax season has come to a close, there's no better time to get organized for next year while everything is fresh in your mind.

As a real estate agent, there are many deductions that can make filing your tax returns more complex. Ensure your return doesn't trigger an audit by keeping clear records of all your business-related costs for the year ahead. Here are some common IRS audit triggers to look out for:

**Mismatched income.** 1099 forms and all other income sources should match what you report. The IRS can automatically detect most income sources, so this is the easiest discrepancy to catch.

**Dramatic income increases or decreases.** Any large year-to-year income variations can trigger an investigation. If you've accurately reported all income, there should be nothing to fear.

**Home office or vehicle deductions.** Both deductions are legit but may be questioned if not done properly. Make sure your CPA explains your home office thresholds. If you are deducting mileage, use an app like MileIQ or TripLog which use IRS guidelines to track your business-related driving and expenses.

**Meals and entertainment.** These costs are deductible up to 50 percent if they are ordinary and necessary to your business. Excessive or lavish deductions that seem large in proportion to your gross income may have to be justified.

**Being self-employed.** Even if you're set up as a corporation or an LLC, you're still in a higher risk category than an employee, which makes expense tracking especially crucial. Try an expense tracker app like QuickBooks or GoDaddy Bookkeeping.

As always, make sure to talk over any income or expense questions with your CPA before making decisions that affect your filing.

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