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Money tools for the business of real estate.

Real Estate Agent's Guide to Commissions, Bookkeeping & Tax-Ready Books

Setting up your business, reading your commission statement, and tracking income, expenses, and mileage for tax filing

October 2026

A free guide from Brokernomy

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Money tools for the business of real estate.

THIS FREE GUIDE IS FROM BROKERNOMY

Money tools for licensed real estate agents.

Brokernomy is a web app that keeps your records and adds them up as you go, so you can see what comes in, what goes out, and what every closing leaves you.

WHAT THE AGENT PLAN GIVES YOU

Commission Split and Cap Tracker

See what each closing really pays you, after the referral fee, your split, your cap and the fees.

Agent P&L and Lead Source ROI

Your profit month by month, and which lead sources earn back what they cost you.

Pipeline and Closings Forecast

The deals you are working, weighted by stage, against your goal for the year.

Dues, License and Fees Watch

Every bill, license and renewal in one place: what changed from last year, and what is coming due.

Mileage and Vehicle Log

A log of your business trips and what your vehicle costs you.

Contacts

The people you work with, with notes and what to do next for each.

1099-NEC for People You Pay

Who you paid for their work this year, who needs a 1099-NEC, and the figures for each form.

W-2 Payroll Expense

The wages and employer-side taxes from your payroll provider's reports, carried to your P&L.

Year-End Tax Organizer

Gathers the documents, totals and questions to bring to your tax preparer at year end.

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Real Estate Agent's Guide to Commissions, Bookkeeping & Tax-Ready Books

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Why your books matter from day one

Clean books kept all year are what turn tax season into a two-hour meeting instead of a two-month scramble. Most new agents start with the license, the brokerage, and the first listing appointment. The bookkeeping gets pushed to "later," and later usually means the week before the tax deadline.

No one is withholding for you. Your brokerage pays your commissions in full and reports them to the IRS (Internal Revenue Service) on a Form 1099-NEC each January. No income tax, Social Security, or Medicare has been taken out of any check. Setting that money aside, and proving your expenses, is your job.

The transaction file problem. Think of your books like a transaction file. If every document goes in as the deal moves along, the file is complete on closing day. If you try to assemble it months later from memory and old emails, you will miss things, and some of those misses cost real money.

What waiting until the last minute typically costs an agent:

- **Missed deductions.** A year of business driving with no mileage log, or MLS (Multiple Listing Service) dues paid from a personal card and forgotten, are deductions you cannot prove.
- **Fees you never deduct.** Fees your brokerage takes out of your checks never pass through your bank account. If your 1099 reports your commissions before those fees and you record only deposits, the fees are an expense you never claim.
- **Penalties and interest.** Skipped quarterly estimated payments add charges on top of the tax.
- **Higher preparer fees.** Your CPA (Certified Public Accountant) bills for the hours spent reconstructing a year of records.
- **Weaker loan applications.** Lenders ask self-employed borrowers for tax returns and often a year-to-date profit and loss statement. An agent with clean books is easier to approve.

This guide walks through the whole path: setting up the business, reading your commission statement, recording each closing correctly, tracking your vehicle and other expenses, and keeping your books ready for the tax return every year.

Before your first closing: set up the business first

Set up the business side before your first commission check arrives, so every dollar lands in the right account from the start. Untangling a year of mixed personal and business spending later is slow, and it is where deductions get lost.

1. Know your tax status. Licensed real estate agents are "statutory nonemployees." The IRS treats you as self-employed for federal tax purposes when substantially all of your pay is tied to sales

rather than to hours worked, and you work under a written contract saying you will not be treated as an employee. That is why your independent contractor agreement with your brokerage matters. Keep a signed copy.

2. Choose your entity. The entity decides which tax return you file.

Structure	Federal return	Notes
Sole proprietorship	Schedule C on your Form 1040	Simplest, and how most agents start; no liability protection
Single-member LLC (Limited Liability Company)	Schedule C on your Form 1040	Liability protection; taxed like a sole proprietor by default
Multi-member LLC or partnership	Form 1065, with a Schedule K-1 for each owner	Separate return with its own deadline; used by some teams with co-owners
LLC or corporation electing S corporation status	Form 1120-S, with a Schedule K-1 for each owner	Owners who work in the business must take a reasonable salary through payroll

Most agents start as sole proprietors and revisit an S corporation election once profit is steady. Talk to your CPA before electing, because payroll adds cost and filing work. Check your state's license law first, too: whether your brokerage may pay commissions to your LLC or corporation, and whether that entity needs its own license, varies by state. Ask your broker and your state real estate commission before you form one.

3. Get an EIN (Employer Identification Number). It is free from the IRS at irs.gov. Use it on the Form W-9 you give your brokerage and on your business bank account instead of your Social Security number.

4. Line up your license and memberships. Each one has its own fee and its own renewal date. Most agents carry several of these:

- State real estate license, with continuing education due before each renewal
- Local, state, and national association dues, where your brokerage or MLS requires membership
- MLS subscription and lockbox key fees
- E&O (errors and omissions) insurance, often billed through your brokerage by the year or by the transaction
- A city or county business license, where required

Put every renewal date and amount on one calendar. A lapsed license or MLS subscription stops your business the same day.

5. Open a business bank account and a business credit card. This is the single most important bookkeeping step. Every commission check goes into this account, every business expense comes out of it or goes on the business card, and nothing personal should. Mixing accounts is the most

common reason small business books cannot be trusted at tax time. Pay yourself by transferring money to your personal account, and record each transfer as an owner draw.

6. Open a tax savings account. Because nothing is withheld, the tax on every check is still inside it. A simple habit is to move a set percentage of each commission check into a separate savings account the day it lands. Many agents start at 25% to 30%. Settle your own rate with your CPA, since it depends on your income, your state, and your household.

7. Check your insurance. Tell your auto insurer that you drive clients and use the car for business, because a personal policy may not cover it. Confirm how your E&O coverage works and what the deductible is.

How you get paid: reading a commission statement

The check you deposit is not the commission you earned. Think of your commission check like a seller's net proceeds on a closing statement: it is what is left after everyone else was paid, not the sale price. Between the commission on the sale and the money in your account, several amounts can come out.

Line	What it is
Gross commission	Your side's commission on the sale, before anything comes out. Often called GCI (gross commission income)
Referral fee	A share paid to a referring broker or relocation company, usually taken off the top
Brokerage split	The share your brokerage keeps under your agreement, such as 20% on an 80/20 split
Cap	The most your brokerage collects from you in splits in a year. Once you reach it, you keep 100% of later commissions, less fees, until your anniversary date
Franchise or royalty fee	A percentage some franchised brokerages charge in addition to the split
Transaction and other fees	Flat charges per closing, such as a transaction fee, an E&O fee, or a technology fee
Team split	If you are on a team, the share that goes to the team under your team agreement

Example. You represent the buyer of a $400,000 home, and your side's commission is 2.5%. The buyer was referred to you for a 25% referral fee. You are on an 80/20 split, and your brokerage charges a $395 transaction fee and a $40 E&O fee on each closing.

Step	Amount
Gross commission: $400,000 × 2.5%	$10,000
Referral fee: 25% of $10,000	-$2,500
Commission after the referral fee	$7,500
Brokerage split: 20% of $7,500	-$1,500
Your share after the split	**$6,000**
Transaction fee and E&O fee	-$435
Check deposited	**$5,565**

Record the closing the way your 1099 will report it. Many brokerages report your share after the split, $6,000 here, on your Form 1099-NEC, before the flat fees come out. In that case, record $6,000 of commission income and record the fees as expenses:

Account	Debit	Credit
Business checking	$5,565	
Brokerage transaction fees (expense)	$395	
E&O insurance (expense)	$40	
Commission income		$6,000

If you had recorded only the $5,565 deposit, your books would show less income than your 1099, and $435 of expenses would be missing. Some brokerages report the net check instead. Then the fees have already been taken out of your income, and they cannot be deducted a second time. Ask your brokerage which figure goes in Box 1 of your 1099-NEC, and record every closing the same way.

Keep a commission log. Your accounting software records your income. It does not track your cap. Keep one line per closing with the closing date, the address, the sale price, the gross commission, the referral fee, the split, the fees, and the net check. The log shows what each closing really paid you and how close you are to your cap, and it gives you a list to check against your 1099 in January. Save the commission statement from every closing with it.

Know your anniversary date. A cap year usually runs from the date you joined the brokerage, not from January 1, so your split can change in the middle of your tax year. Note the date in your log.

Your vehicle: usually your largest deduction

For most agents, the car is the largest single business expense, and the deduction is only as good as the log behind it. Think of the mileage log like the showing log on a listing: a record made at the time of who went where, and why. One rebuilt from memory months later does not carry the same weight.

Two methods. You can deduct the business use of your car in one of two ways.

Method	How it works	Good fit when
Standard mileage rate	Multiply your business miles by the IRS rate. For 2026 it is 72.5 cents per mile from January 1 to June 30, and 76 cents from July 1 (IRS Notice 2026-10 and Announcement 2026-11). Add business parking and tolls	You drive many business miles in a car that is economical to run
Actual expenses	Add up gas, insurance, repairs, tires, registration, and lease payments or depreciation, then deduct the business-use percentage. Add business parking and tolls	The car is costly to run, or you want depreciation on a vehicle you bought

Both methods require a mileage log. The standard rate needs your business miles, and the actual expense method needs the log to set your business-use percentage. Under either method, a self-employed agent can also deduct the business share of the interest on a car loan.

Choose in the first year. To use the standard mileage rate on a car you own, you must choose it in the first year you use that car for business. In later years you can then choose either method. If you start with actual expenses and claim Section 179 or bonus depreciation, you cannot switch that car to the standard mileage rate later. For a leased car, choosing the standard mileage rate means using it for the whole lease. Show your CPA the numbers before your first return with the car.

What counts as a business mile. Driving to showings, listing appointments, open houses, inspections, closings, and the title company counts, and so does driving to preview property, place signs, and meet clients. Driving between your home and your brokerage's office is generally commuting, and commuting is not deductible. If your home office qualifies as your principal place of business, drives from home to business stops can count as business miles. Ask your CPA how the commuting rule applies to your first and last drive of the day.

What the log needs. For each business drive, record the date, the destination, the business purpose (the client or the property), and the miles. Also record the odometer reading on January 1 and December 31, so the total miles for the year are known. A mileage app can do most of this for you, and a notebook in the console works too. A log written at the time is far stronger than one rebuilt in April.

Buying a vehicle for the business. Under the actual expense method, a vehicle you buy is an asset, not an expense on the day you buy it, and it reaches the tax return through depreciation. Think of the car like a full tank of gas: you do not burn it the day you fill up, you use it over many trips. Depreciation is how the books record that use.

Rule	What it means
Passenger cars	Annual dollar caps limit the depreciation on a car, including in the first year, no matter what the car cost
Heavy vehicles	SUVs, trucks, and vans with a GVWR (Gross Vehicle Weight Rating) over 6,000 pounds are not subject to those annual caps. Section 179 expensing on a heavy SUV is limited to $32,000 for 2026 (IRS Revenue Procedure 2025-32), and bonus depreciation can apply to the rest
Bonus depreciation	Lets you deduct 100% of the cost in the first year for property acquired and placed in service after January 19, 2025. For passenger cars, the annual caps still apply
Business use	Only the business-use percentage is deductible. The vehicle must be used more than 50% for business to claim Section 179 or bonus depreciation, and if business use later drops to 50% or less, part of the deduction is added back to income
Selling or trading in	Depreciation you claimed is "recaptured" as ordinary income when you sell the vehicle

A large first-year deduction is not always best. It lowers this year's tax, but it leaves little or no depreciation for later years and a taxable gain when you sell. A vehicle bought mainly for the write-off still costs far more than the tax it saves. Confirm the weight rating on the door-jamb sticker and keep a copy, and run the numbers with your CPA before you buy.

Leasing. Under the actual expense method, you deduct the business-use share of each lease payment. For higher-priced cars, a small IRS "inclusion amount" reduces that deduction. Keep the lease agreement with your tax file.

Setting up the books

Set up three things before your first closing: an accounting method, accounting software connected to your bank, and a chart of accounts built for an agent. Think of the chart of accounts like the fields in an MLS listing: when every detail has its own field, nothing important ends up buried in the remarks.

Accounting method. Most agents use the cash method: income is recorded when you receive it and expenses when you pay them. It is simple, and it matches both your bank account and the way your brokerage reports your 1099. Use it consistently, and confirm the choice with your CPA before your first return, because changing methods later requires IRS paperwork. Watch closings at year-end: a check your brokerage issues in late December generally belongs to that year, and to that year's 1099, even if you deposit it in January.

Software. Use cloud accounting software, and connect it to:

- Your business checking account, tax savings account, and business credit card, so transactions flow in automatically
- A receipt app or the software's own receipt capture, so you photograph receipts the day you get them
- A mileage app, or your own mileage log, so business miles are totaled each month

Automatic feeds do not mean the books keep themselves. Someone still has to categorize each transaction and reconcile each account every month.

A chart of accounts built for an agent. Start with these accounts and add only what you need:

Section	Accounts
Income	Commission income · Referral fees received · Bonuses and awards · Other income, such as BPOs (broker price opinions)
Brokerage costs	Brokerage transaction fees · Desk and technology fees · Franchise or royalty fees · E&O insurance
Marketing and lead generation	Online leads and portals · Mailers and print · Signs and listing photography · Staging · Open house costs · Website and CRM (customer relationship management) software · Client gifts
Operating expenses	MLS and lockbox fees · Association dues · License and continuing education · Vehicle · Parking and tolls · Business meals · Phone and internet · Office supplies and software · Contract help and transaction coordinator · Professional fees · Insurance · Travel and conferences · Home office
Other expenses	Loan interest · Depreciation
Assets	Business checking · Tax savings · Vehicles and equipment · Accumulated depreciation
Liabilities	Business credit card · Vehicle loan
Equity	Owner contributions · Owner draws

The same labels should map neatly to the lines on your tax return. Your CPA can adjust the chart once before year one so the year-end handoff needs no remapping.

Tracking income

Record every commission from the commission statement, not from the bank deposit, then check the year's total against your Form 1099-NEC. The IRS receives the same form, and it expects your return to show at least that much income.

What counts as income. All of these are business income, whether or not a form arrives:

- Commissions from sales and leases
- Referral fees you receive for sending a client to another agent, paid through your broker
- Bonuses, awards, and prizes from your brokerage or franchise, including the value of trips
- Fees for other work, such as BPOs or coaching

Money that is not yours. Earnest money and other client funds never go into your accounts. They belong in the broker's trust account or with the title or escrow company. Putting client funds in your own account is a serious license law violation, apart from what it does to your books.

Form 1099-NEC. Your brokerage reports what it paid you during the calendar year in Box 1 and sends you a copy by the end of January. For payments made in 2026, a payer generally files the form once it has paid you $2,000 or more in the year (TaxBandits). If you changed brokerages during the year, expect a form from each.

Reconcile it every January. Add up your commission log for the year and compare the total to Box 1. Differences usually come from one of three things: a check issued in late December that you recorded in January, fees that are included in Box 1 or left out of it, and bonuses or reimbursements that your brokerage added. Find each difference, write it down, and keep that reconciliation with your tax file. If the form is wrong, ask your brokerage for a corrected one before you file.

Form 1099-K. If you take card or payment app payments directly, for BPOs or coaching for example, you may also receive a Form 1099-K. Card processors report payment card sales with no minimum, while payment apps such as PayPal or Venmo report only when you receive more than $20,000 and more than 200 transactions in a year (TaxBandits). The form shows gross amounts before fees and refunds. Keep business and personal payments in separate app accounts.

Uneven income. Commissions arrive in lumps, and a strong spring can hide a slow fall. Keep a simple forecast of your pending closings with the expected closing date and the expected net check for each. It tells you whether the slow months are covered and how much to set aside for the next quarterly tax payment.

State and local taxes on your receipts. Most states do not charge sales tax on real estate commissions, but a few states and some cities tax a business's gross receipts or require a local business license. Check with your state department of revenue and your city.

Tracking expenses

Every expense needs three things to hold up at tax time: it was paid from a business account, it has a receipt or invoice, and it is coded to the right account. If any one of the three is missing, the deduction is at risk. Meals, gifts, travel, and vehicle use need one more thing: a note, written at the time, of the business purpose and who was involved.

Expense	How to track it	Watch out for
Brokerage fees taken from your check	Enter them from each commission statement	Not visible if you record only deposits; not deductible again if your 1099 is already net of them
MLS, lockbox, and association dues	One account each; keep the invoices	Note renewal dates. The share of association dues spent on lobbying is not deductible, and the dues notice states the percentage
License renewal and continuing education	Keep certificates and receipts	Courses that keep up or improve your skills are deductible; the cost of qualifying for your first license generally is not
Online leads, mailers, and advertising	Pay with the business card; one account or tag per lead source	Tag each closing with its lead source, so you can see which sources earn their cost
Listing costs: photography, staging, signs	Put the property address in the memo	The cost is yours even if the listing does not sell
Client and closing gifts	Keep the receipt and write the client's name on it	The deduction is limited to $25 per recipient per year, however much you spend
Business meals	Receipt, plus a note of who was there and what was discussed	Generally 50% deductible. Entertainment, such as golf or event tickets, is not deductible
Phone and internet	Business share only	Keep a note of how you set the business percentage
Software and subscriptions	CRM, e-signature, transaction management, website	Annual renewals are easy to miss; cancel what you stopped using
Equipment: computer, camera, drone	Keep the invoice	Items costing $2,500 or less per invoice or item can be expensed under the de minimis safe harbor if you elect it on your return each year
Health insurance and retirement contributions	Keep statements showing what you paid	Deducted on your personal return, not as a business expense, so give the totals to your CPA

Paying people who help you. Transaction coordinators, assistants, photographers, stagers, and sign installers are usually contractors. Get a Form W-9 before you pay any of them. For payments made in 2026, you generally issue a Form 1099-NEC once you pay a contractor $2,000 or more in the year (TaxBandits). Payments made by credit card or payment app are reported by the

processor instead, and payments to corporations are generally exempt.

Employee or contractor. If you control when, where, and how an assistant works, that person is most likely an employee. Employees need payroll: a W-4 and I-9 at hire, tax withholding, quarterly Form 941 filings, annual Form 940 and W-2s, and state unemployment and new-hire reporting. A payroll service handles most of this for a modest monthly fee. Treating an employee as a contractor can bring back taxes and penalties, so ask your CPA when unsure.

Paying other agents. In most states, commissions and referral fees for licensed activity must be paid through a broker, not from one agent to another, and an unlicensed assistant cannot be paid a commission for work that requires a license. Check with your broker before you pay anyone a share of a deal.

Home office. If you use a space at home regularly and only for the business, and it is where you do your administrative work, such as contracts, marketing, and bookkeeping, you may qualify for a home office deduction even though your brokerage has an office you could use. The simplified method uses a flat rate of $5 per square foot, up to 300 square feet. The regular method deducts the business share of your actual home costs.

What is not deductible. Your own meals on an ordinary workday, clothing that could be worn outside work, haircuts and dry cleaning, traffic and parking tickets, commuting, the cost of getting your first license, and owner draws are not business expenses.

Your bookkeeping routine

A few minutes after each closing and an hour or two a month keeps the books tax-ready all year. Think of it like keeping up your client database: two minutes after every call is easy, and rebuilding a year of contacts from memory is a miserable weekend.

After every closing (10 minutes)

- [ ] Save the commission statement and the closing statement
- [ ] Record the commission, with the brokerage fees entered separately
- [ ] Add the closing to your commission log, with its lead source, and update your cap progress
- [ ] Move your tax set-aside to the tax savings account

Weekly (20 minutes)

- [ ] Photograph every receipt and write the purpose on anything unclear
- [ ] Check that every business drive is in the mileage log
- [ ] Categorize the week's bank and credit card transactions in your software

Monthly (1 hour)

- [ ] Reconcile the business checking, savings, and credit card accounts to their statements
- [ ] Match the month's deposits to your commission log
- [ ] Review the profit and loss statement for anything that looks off
- [ ] Check upcoming dues, renewals, and continuing education deadlines

- [ ] Update your forecast of pending closings

Quarterly

- [ ] Pay federal and state estimated income taxes
- [ ] Compare what each lead source cost with the closings it produced
- [ ] Send your CPA the quarter's profit and loss statement for a quick check

Year-end

- [ ] Record the odometer reading on December 31 and total the mileage log
- [ ] Reconcile all accounts through December 31
- [ ] Reconcile your commission log to every Form 1099-NEC
- [ ] Collect W-9s and issue 1099-NEC forms to contractors by the end of January

How long to keep records. Keep receipts, statements, mileage logs, and tax files for at least three years after you file the return they support. The IRS can look back six years if income was substantially understated. Keep payroll records at least four years, and keep vehicle and equipment purchase records for as long as you own them plus at least three years after the return reporting the sale. Your state's license law sets its own retention period for transaction files, which is often longer. Digital copies are fine as long as they are legible and backed up.

Getting tax-ready

If you followed the routine above, getting ready for the tax return is a matter of pulling reports, not rebuilding the year. This section covers which return you file, the taxes on top of income tax, and exactly what to hand your CPA.

Returns and federal deadlines by entity (for a calendar-year business; a deadline on a weekend or holiday moves to the next business day):

Structure	Return	Due
Sole proprietor or single-member LLC	Schedule C and Schedule SE with Form 1040	April 15
Multi-member LLC or partnership	Form 1065, plus a K-1 for each owner	March 15
S corporation	Form 1120-S, plus a K-1 for each owner	March 15

Most states have their own returns on similar dates, and some cities or states charge separate business or franchise taxes.

Self-employment tax. A self-employed agent pays both halves of Social Security and Medicare on the business's profit, at a combined 15.3% rate, on top of income tax. For 2026 the Social Security part applies to the first $184,500 of earnings (Social Security Administration), and the Medicare part has no limit. This surprises many first-year agents. An agent who nets $60,000 owes roughly $8,500 of self-employment tax before any income tax.

Estimated taxes. No one withholds tax from your commissions, so you pay it during the year in four installments, due around April 15, June 15, September 15, and January 15. Missing them adds an underpayment penalty. Because commission income is uneven, ask your CPA about basing each payment on what you actually earned in that period, rather than on four equal amounts.

The QBI (Qualified Business Income) deduction. Many agents can deduct up to 20% of their qualified business profit on their personal return. At higher incomes the deduction can be limited, and how your business is set up affects the limit, so ask your CPA how it applies to you. It requires accurate profit figures, which is one more reason clean books pay off.

Retirement and health insurance. A SEP-IRA or a solo 401(k) lets a self-employed agent set aside pre-tax money for retirement: up to $72,000 in total for 2026, limited by your net earnings (IRS Notice 2025-67). Health insurance premiums you pay for yourself and your family may also be deductible if you are not eligible for an employer's plan. Both are deducted on your personal return rather than on Schedule C, so tell your CPA what you paid.

What to hand your CPA. Deliver this package within a few weeks of year-end, not the week before the deadline:

1. Year-end profit and loss statement, and a balance sheet if your software produces one
2. Bank, credit card, and loan statements for all 12 months, reconciled
3. Every Form 1099-NEC and 1099-K received, with your reconciliation to your commission log
4. Your commission log for the year
5. Mileage log with total miles, business miles, and the January 1 and December 31 odometer readings
6. Vehicle details: the date it was first used for business, the purchase or lease documents, and the method used in earlier years
7. A list of equipment bought or sold during the year: description, date, and cost
8. Home office measurements and home costs, if claiming the deduction
9. Health insurance premiums and retirement contributions for the year
10. Copies of 1099-NEC forms you issued, and payroll reports if you have employees
11. Estimated tax payments made, with dates and amounts
12. Notes on anything unusual: a new brokerage, a new entity, joining or leaving a team, a vehicle bought or sold

CPAs often bill by the hour. A complete package like this can cut the preparation fee and gives your CPA time to find tax savings instead of chasing documents.

Common mistakes and how to avoid them

Mistake	What it costs	The fix
Mixing personal and business money	Books nobody can trust; deductions that are hard to prove	One business checking account and one business card, used only for the business
Recording bank deposits as income	Income that does not match the 1099-NEC; brokerage fees never deducted	Record each closing from the commission statement, with fees entered separately
Deducting brokerage fees twice	Overstated deductions, then an adjustment at tax time	Find out whether Box 1 of your 1099 is before or after fees, and record every closing the same way
No mileage log	The largest deduction most agents have, reduced or lost in an audit	Log every business drive at the time, with odometer readings at the start and end of the year
Spending the whole commission check	A tax bill you cannot pay, with penalties	Move a set percentage of every check to a tax savings account the day it lands
Skipping estimated tax payments	A large April bill plus underpayment penalties	Pay quarterly, sized to what you actually earned
Deducting gifts and entertainment in full	Deductions that do not hold up	Apply the $25 gift limit and the 50% meals rule, and keep a note of who and why
Buying a vehicle for the write-off	Cash spent to save a fraction of it in tax; income recaptured when you sell	Run the numbers with your CPA before you buy, and choose your method in the first year
Paying helpers without paperwork	Penalties for missing 1099s; payroll taxes on a misclassified employee	Collect a W-9 before the first payment and issue 1099-NEC forms in January
Losing track of dues and renewals	Late fees; a lapsed license or lost MLS access	Keep one calendar of every renewal date and amount
Waiting until April to look at the books	Missed deductions, rushed decisions, higher fees	Reconcile monthly and send your CPA quarterly statements

Disclaimer and sources

This guide is general information for real estate agents, not tax or legal advice for any specific situation. Tax limits, reporting thresholds, and state and local rules change often; the federal figures here reflect 2026 rules. Review your own situation with a CPA or Enrolled Agent before making entity, vehicle, or payroll decisions.

Sources

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- IRS Publication 334, Tax Guide for Small Business
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Brokernomy

Money tools for the business of real estate.

See what each closing really pays you.

Brokernomy is a web app with money tools for licensed real estate agents: commission splits and caps, profit and lead source ROI, your pipeline, dues and license renewals, mileage, and a year-end tax organizer. The agent plan's tools are listed on the page after the cover.

See the tools at brokernomy.tech