8 THINGS REAL ESTATE INVESTORS MUST KNOW TO KEEP MORE MONEY AND PAY LESS TAXES

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HEY REAL ESTATE INVESTORS!

This might come as a surprise, but as a Real Estate investor, taxes are probably your single biggest expense.

Isn't that crazy?
But just think about it...

You have to pay taxes on income, taxes on property, and taxes on goods and services.

What percentage of your income do all those taxes eat up?
We could all stand to pay less in taxes, right?

Fortunately, the new tax law has given law firms plenty of opportunities.

In fact, there are 5 major ways that you can use to slash their taxes and keep more of your hard-earned money to put in the bank each year.

The truth is, you could save 5 or 6 figures on your tax bill every year by implementing a tax savings plan...And whether you're able to take advantage of one, two, or all 5 of these strategies, it's well worth your time and effort to implement them. So let's go over each of the 5 legal and ethical tax-saving strategies for real estate investors in the new tax law.

1 SPECIAL TAX BENEFITS

🏠 Real Estate investing comes with numerous benefits that you won't find in other investments.

🏠 Some well known tax benefits include depreciation and 1031 exchange.

🏠 REIT investors will reap more benefits from the new tax laws.

🏠 Make use of the 20 Percent rule: the new tax law that allows you to deduct 20% of your net rental income from your taxable income.

2 KNOW THESE TAX FORMS

🏠 The three main forms you should know are: Schedule E, B and D.

🏠 Schedule E is used to report any supplemental income and loss from rental properties.

🏠 Schedule B and D are used to report any investments.

🏠 If you plan to do your own taxes, a higher level software will be required - however they don't always cover everything.

🏠 The easiest way for landlords to track rental income and expenses is through Quickbooks.

3 PASSIVE INCOME BENEFITS

🏠 Real estate loopholes can be extremely beneficial as investing is considered passive income.

🏠 A big non-cash expense when calculating profit and loss is depreciation.

🏠 If you actively participate with your rental properties you are eligible to deduct $25,000 of rental real estate losses.

🏠 In order to benefit from this exception you must spend more than half your total working hours in real estate activities and spend more than 750 hours "materially participating".

4 SELLING YOUR PROPERTY

🏠 There are three ways to reduce the amount you pay in taxes when selling:

- Sell off losing assets to offset your gain.

- 1031 exchange: selling your old property and buying a new one.

- Convert the property into your primary residence for a few years before selling: if you have owned the property for at least 5 years and live in it for 2 years, your property is a residence instead of an investment.

🏠 If you're flipping properties as an investor you'll be taxes using capital gains tax rates.

5 OPPORTUNITY TAX ZONES

🏠 In exchange for hefty tax incentives, investors will often pour money into distressed areas.

🏠 Tax deferral and Tax reduction are two major tax incentives when it comes to opportunity zone investing.

🏠 There are a lot of rules that come with these tax incentives so in order to fully understand them a qualified tax professional will be needed.

ABOUT THE AUTHOR

IFEOMA LUEG, CPA

Hi there! My name is Ifeoma Lueg, CPA , and I'm a Real Estate Investor CPA and tax strategist who helps real estate investors leverage their businesses to create lasting wealth.

I'd love to give you 45 minutes of my time for free where we can deep dive into your current business structure and tax strategy and see how you can take advantage of legal and ethical loopholes to save tens of thousands of dollars per year in taxes.

There's no obligation whatsoever. I won't hold anything back. At the end of our call, you'll have a clear plan for what you need to do to increase profits & cash flow and boost your take-home pay by up to 50%.

If you want my help implementing the plan, then I'll be happy to talk with you about working together at the end of our call, but you absolutely don't have to become my client to get massive value out of our conversation.

Click here to schedule a 30 minute free consultation