

GUIDE FOR MARY KAY CONSULTANTS

Gross Receipts Or Sales (In Retail Dollars Only) – Pink tickets, less sales tax, and weekly summary sheets

Other Income/Recruiting & Dovetail Commissions – From Mary Kay/Commission Statements and Forms 1099-Misc.

Purchases During The Year (In Wholesale Dollars Only) – Section 1 and Benefits Purchases can be obtained from the Mary Kay Advisory Statement or adding up all your orders for the year.

Materials & Supplies – Section 2 & sales tax on Section 2 only.

Ending Inventory – Inventory of Section 1 only on hand December 31st at wholesale (Usually 50% of retail).

Advertising- Entire direct support, business cards, fair booths, etc.

Auto Expenses- You can deduct the actual expenses of operating your auto OR take the standard mileage rate.

Bad Debts/Checks- Bad checks (check bounces), including service fees, and debts and partial debts from sales that were Originally included in income, and are definitely known (now) to be worthless.

Business Insurance (for Product) – Liability – (Not auto, home or health)

Business Interest – Interest on loans, office equipment, processing fee for customers credit cards, annual fee for business credit cards, etc.

Legal And Professional Services – Tax advice, tax return preparation, bookkeeping services, etc. related to your business.

Office Expense And Postage – Paper, pens, pencils, envelopes, calendars, travel organizers, order sheets, weekly plan sheets, etc.

Rent or Lease – Auto, Office Equipment (copy machine, etc.).

Supplies – Cotton balls, Q-tips, Travel bags, Lipstick Case, Hand bag, Books and Tapes, etc.

Travel (Business Only) – Taxi, shuttle, airfare, lodging (Travel does not mean everything you bought on the trip. Meals still go with meals, items bought at the seminar booths go in operating supplies, etc.)

Meals/Recruiting Luncheons/Etc And Entertainment – Meals while traveling away from home on business and other business meals which are directly related to the active conduct of your business.

Telephone/Pager/Mobile Phone – Service charges & fees including long distance business calls.

Workshops & Seminars – Registration fees, for workshops & seminars, debuts, retreats, career conferences, etc.

Freight – Freight paid on incoming orders from Mary Kay.

Meeting Expenses – Weekly meeting charges.

Casual Labor – Hired help for secretarial work, answering service, childcare, etc.

Office In Home – A business portion of utilities (heat, lights, water & sewer), home owner's insurance, real estate taxes, repairs, maintenance, trash removal, etc. OR part of your rent and utilities (if you do not own your home)
NOTE: The business portion (%) is based on the space you utilize for your Mary Kay business relative to the total space of your home (rented or owned). This office in the home can be a great advantage, particular since the new tax law for obtaining the office in the home deduction has been made more generous. The new law clarifies the definition of principal place of business for purposes of the home office deduction. The Act specifically provides that a home office qualifies as the "principal place of business" if (1) the office is used by the taxpayer to conduct administrative or management activities of a trade or business and (2) there is no other fixed location of the trade or business where the taxpayer conducts substantial administrative or management activities of the trade or business.