

Questions About Deductions?

*This information is current for the 2004 tax year
See your Tax Advisor for verification*



- **How can I be sure about taxes?** Ask your Tax Accountant! They are experts & it will save you time & money ~ plus their service is a tax deduction! Save ALL RECEIPTS
- **How can I get the Wholesale Value of my products?** To obtain the **Wholesale value** of a Mary Kay product, divide the retail value by 1/2 = wholesale!
- **What is the easiest way to track my personal use & what products can I deduct?** Every time you take a product off your shelf, write a receipt for the wholesale value and put that \$\$\$ amount into your inventory restock account (so you don't rob your store!)...tear the top of the box off and put it in a plastic bag marked...."2005 Personal Use" (use the current year of course!). At the end of the year, take all the box tops / slips of paper (for products with no box) and separate out anything that is not a product you can see when you put it on or smell. Only products that are visible or you can smell when you wear them are a tax deduction. Add up the value & put them on your year end line item.
- **Can I deduct my Cell phone if I do not have a home line?** YES, you may deduct a portion of your cell phone....get a statement for each month & highlight all the calls you made for business; put this amount on your Cell phone line.
- **Why am I listing my utilities on my Mary Kay Expense statement?** You will be able to take a percentage of all utilities for your deduction based on the portion of your home which you use for your Mary Kay business.
- **Why am I listing my Home repairs for my office separately from the remainder of my home?** Your in office repairs (paint, drapes, etc.) will be 100% deductible and the rest of your home repairs will be at a percentage, just like the utility percentage is determined.
- **How do I track my car use?** First, be sure you list your beginning mileage and ending mileage for the year. Keep a spiral notebook in your car (above the visor is a great place) and list the date, total mileage you drive for Mary Kay appointments / deliveries / etc. and the destination for that mileage....i.e.
 - **01/17/05 15 miles delivery to Salem 01/18/05 75 miles Party in Portland**
You will be amazed how this adds up at .37cents per mile at year end!
- **Why am I listing my entertainment costs separately for in-home entertainment & out of home entertainment?** In home entertainment is 100% deductible & out of home ent. is 50% deductible.
- **Why am I listing the # of days I travel for business trips?** You can elect to take the per-diem allowance for food & hotel when you travel according to what city you are in (your tax specialist has this chart from the IRS). You would still save ALL receipts for when you travel and be sure anything other than food & hotel you list out under travel expenses (i.e. parking, taxi's, rental car, air-fare, etc.)
- **Can I deduct clothes for business other than the Red Jacket & Directors Suit?** No, the only official Mary Kay clothing is the Red Jacket & the Director Suit. Be sure you save cleaning receipts for these two items because that is a tax deduction too!
- **What is the BEST way to Inventory my product at the beginning and end of a year?** List the number of each product you have...i.e. 98 eyeshadows, 75 lipsticks, etc. Go to your www.marykayintouch.com and create a "mock" order to the point of Check Out. Just print it and you have a record & total. Remember, you just need the total number of a product, not specific colors, etc.

What do I take to my appointment with my Tax Accountant?

- Your Year end Tax Sheet completed
- Your Mary Kay Year end Income Statement
- Your Mortgage Year end Statement