

Network Marketing Tax Advantages

The network marketing tax incentives are just one of the many benefits to operating a network marketing business. Despite the fact there are numerous tax deductions that can be made, very few network marketers fully appreciate or take advantage of this opportunity. To start with, it is important to highlight that most full-time employees work 3-4 months a year just to pay the tax man! Although much of this money goes toward supporting the community in areas such as health and education, which most people strongly support, there is also a large portion of tax payers money that goes towards things that we don't necessarily agree upon, I'm sure you can name a few.

The good news is that the network marketing tax advantages allow you to recover a lot of that tax back, adding significantly to your yearly income and ultimately improving your quality of life. After all, why pay more tax than you have to?

In particular, because network marketing is a home based business you can potentially claim following network marketing tax deductions:

- The initial investment you paid to start your business
- Operating and depreciation costs of your business equipment (eg office equipment such as computers, faxes, furniture etc.)
- Phone and communications, including internet expenses
- Car expenses-including depreciation, mileage, fuel, repairs and maintenance
- Business operating software and management tools, which also includes webpages etc.
- Marketing material (this is a really good one in network marketing if you know how to use it)
- Prospecting expenses such as buying leads or lead generation costs
- A percentage of rent or mortgage costs (for the space you use to operate your business)
- A percentage of utility bills such as gas, electricity, water
- Household maintenance or improvement costs such as repairs or structural changes (eg air conditioning)

- Travel and accommodation - Did you do any work on that holiday?!
- Property taxes and insurance
- Restaurant meals, entertainment and dinner parties (make sure you know the guidelines for this one)
- Education and training also includes books, software, annual conferences or weekly meetings
- Security systems
- Moving expenses
- Tax preparation, accounting and record keeping fees
- Health insurance (mainly in the US)
- And if you are in it for the long term, in some areas across the world you can also pay two of your children, tax free, if they are involved with the business.

As you can see there are a number of significant tax advantages to operating a network marketing business. Please keep in mind that every state and country has different tax laws, so before assuming all of the above are applicable to your business we strongly recommend that you discuss these with a local tax representative or accountant. You should also ask them to explain the guidelines and what is required on your behalf when making these network marketing tax claims.

In summary, there are many benefits to operating a home based business, in which enjoying the tax advantages is just one, but if you can learn to take advantage of these tax breaks as much as we have you'd be surprised how much it can add to your income. In fact, in recent years there have been a number of home based business owners who started their business purely for the tax benefits. Naturally you have to be actively working your business to qualify for these deductions. Then all you need to do is find a good accountant.