

Debunking the Mary Kay Personal Use Myth



Why There Can Be No Personal Use In Mary Kay

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Attention Mary Kay Consultants!

On almost every “tax organizer” made by gurus and tax people, I see “personal use” listed as an item for you to put your number on. Obviously, this amount is deducted from your purchases that go on your tax return.

I am here to say, there is NO personal use in Mary Kay! (if you want!) You are welcome to keep deducting it from your purchases but.....This document will show you how to write off the items you use for yourself.

There are a few ways you can do that.

Number 1 way – Include your personal items in your required purchase

As a Mary Kay consultant, you need to be “active” in order to receive commissions on your unit members. The amount is \$225 in wholesale purchases per quarter as of this writing. This amount can be (and should be) deducted on your tax return as required purchases.

It meets the IRS definition of what is a deduction. It is both ordinary and necessary in carrying on a trade or business.

With that being said, if you want to deduct your personal items, make your separate wholesale order every quarter and include your personal items in the qualifying order.

Number 2 way – Make all your personal items a part of your promotions

I see on Instagram and facebook, Mary Kay consultants demoing products. It's great watching them!!

You only have to do it once or twice and these items are considered props. After that, it does not matter. So, get on social media and make some videos.

You can also use certain items as testers just once (not lipstick for sure) and then use the rest yourself.

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How much are you losing in tax dollars by following the “personal use” guidelines from other people? I don’t know, but just take your personal use number by an average of 20%. That would be about what you would lose. Then times the number of years you’ve been in business! Yikes. Can be substantial.

Plus! It forces you to get out there and promote.

As always, this is not considered legal advice and all situations may not pertain to all people.

Cheers

Steve

PS – I know this report was short – but it is right to the point and it is a simple concept!

Educating Direct Sales People On Taxaction



Steven Spangenberg is a home based business tax expert. In business for 46 years, he has done thousands on direct sales tax returns.

You can contact Steve at steve@do-my-taxes.com to get any question you want answered!