

## Referee Tax Accounting

Refs who earn \$600 or more from BASC in a tax year, will receive a 1099-Misc form with their earnings by January 31 of the following year. The ref will then need to file a Schedule C with their income taxes because they are considered an Independent Contractor.

To offset this income, refs are allowed to deduct certain “business” expenses. (Do not construe this advice to replace a CPA, these items are taken from the IRS website.) The most common deductions are:

- 1) Mileage – For most people, the “Easy way” is the way to go. Once you choose which method you prefer, you should keep that method for the life of the vehicle.

**Easy way:** Calculate miles for a round trip from home to ISSC (or relevant soccer field). Then track trips made during the tax year. Multiply to get total miles. The IRS provides a price per mile each tax year that is calculated to include fuel, maintenance, insurance, etc. (Even if you go from work or school to the fields, the correct calculation is home to field.) Also, you can include mileage round trip for any classes, meetings, away tournaments, etc.

**Hard way:** Track actual car maintenance and fuel expenses and total miles for year vs. miles driven to and from ref jobs to find percent of vehicle used for ref transportation then multiply by total expenses. You will need to keep a detailed log of miles per trip and expenses in your vehicle to accurately track things.

- 2) Cost of uniforms and equipment – i.e. shoes, watches, flags, etc.
- 3) Cost of certifications, classes, etc.
- 4) Travel expenses – If you travel to a tournament where you stay in a hotel, you can save and deduct receipts for lodging, meals, tolls, parking, etc.
- 5) Insurance – This is primarily for adults, but you can deduct certain medical insurance, business liability insurance, etc. if they are related to your referee business. Consult a CPA and/or insurance professional to see if this is appropriate in your case.

***The information provided herein is not in lieu of advice from a CPA. For additional information or clarification, please seek advice from your CPA.***