Aaron Goldberg ([00:03](https://www.rev.com/transcript-editor/Edit?token=uCY7y33Vcy4X-nq5E_jAqPn6ERZ-ijINZn8FCdavjRGruWTpstSyVgZHQzZunGDEQgJ7VNYmj9_awKnBM3p81H95fBc&loadFrom=DocumentDeeplink&ts=3.84)):

Perfect. Hey everyone. Welcome back to the PGA Players Podcast. This is your host Aaron Goldberg, certified financial planner and private wealth advisor at AWM Capital. Today, we're going to talk about something that is super exciting, and that is your taxes. This time of the year, late February, early March is when you want to be very sure that you've talked with your team, got everything in place. This is when a lot of your tax documents are going to start showing up probably in the mail sometimes through email, but as you're out on the road, you need to make sure that those documents get to your team. Because the last thing you want to have to do is file an amendment to your taxes because you missed a 1099 or something to account for some of your income or expenses.

Aaron Goldberg ([00:59](https://www.rev.com/transcript-editor/Edit?token=KSaZrPakR5PSzKTbJ4L9H4Y_Q8lT_mMNpteImb6NlH7NQM8vVt9GJl_hz8e6OnDl82aNB7e38reA1_OVa2JrNKcPtQY&loadFrom=DocumentDeeplink&ts=59.43)):

So today we're going to go over a few of the documents that you should be looking out for some, of your expenses that we want to make sure we pay attention to so that we have them as the deductions, and then some deductions for this year that may be a little different than most years based on some of the legislation from last year.

Aaron Goldberg ([01:15](https://www.rev.com/transcript-editor/Edit?token=ZSCC6ilq9o5YJlQZ6ATRpje8QI6TGhvE74JnN5UHynxFx_aCbzuI4VIa_jarugYtMt4aSCI48t2idT7lQBGT4OH6GGU&loadFrom=DocumentDeeplink&ts=75.66)):

Be a pretty short and sweet episode today, so I wouldn't put anyone through a long episode on taxes because God knows any of us don't want to listen to it. So as we get going, first thing we're going to look at is 1099s from where you made money. So you're going to get one from the tour, from all your earnings for the year. They're also going to be sending you a 1099 for the supplements for your medical insurance, the disability insurance, if you're eligible for it, because there is, even though you're not paying for it, it is counted as a little bit of income for what the tour is paying for you, that you then have to pay some taxes on.

Aaron Goldberg ([01:53](https://www.rev.com/transcript-editor/Edit?token=-zE8hXqiqA44YmsTJPBEB3Q3wnTJfTH4-Thu1PEshNvq3Ex24E0WtNopMvO0A47buvp6SYxar6VOf-r9f1DwjEuuxAc&loadFrom=DocumentDeeplink&ts=113.48)):

So we want to make sure we get that first and foremost. If you own a home, you want to look through your 1098 to look for your mortgage interest expense. And this is pretty standard, but what I have seen happen a lot recently is a lot of people are refinancing their house. So if you refinanced last year, make sure you get a statement from both of the banks or lenders that you have that loan with. Because what I've seen is a lot of people only bring in one and they're missing half the year or a few months or some amount of the interest expense that they could be deducting. So we want to make sure that we account for all of it. Then you're going to get some 1099s from your bank account, your investment accounts, anywhere that you would get interest, income, dividends, any capital gains on investments that you have.

Aaron Goldberg ([02:44](https://www.rev.com/transcript-editor/Edit?token=mgyBbdr305L-BIme6WnxmNn5F1nweed0-l-2vKBIGMkx9JZhV1jvXpvIceiw-IFV5e5mTn_D8W4r64inc4rXvJGAwqM&loadFrom=DocumentDeeplink&ts=164.7)):

We want to make sure that we're getting those tax documents so that we're accounting for it, paying the taxes that we owe and not having to amend our taxes later. Because one, it causes headache. And two, it's going to cost you money to file the amendment plus penalties typically or late fees, that type of thing. So really want to make sure we account for all of those. Other than that, it's pretty straightforward. But the items I typically see missed are the small endorsement deals. So maybe you have a clothing sponsor that gives you all your apparel, but they pay you five grand for the year and you got paid last January and you totally forgot about it. You want to make sure that we're getting all of those 1099s.

Aaron Goldberg ([03:29](https://www.rev.com/transcript-editor/Edit?token=b4AR_NSEYHowf-eKFlc2yI0WFF_C2tNWExvp7DE-QOUlqnBAT_p712WPaV7B-fWTx7KAS00_0EXYU_sU2FdivUQFirc&loadFrom=DocumentDeeplink&ts=209.46)):

The other ones are sometimes if you're getting goods. So let's say you're getting a large amount of supplements or some sort of benefit from one of these corporations instead of a payment, some of those can be taxable as well. So we want to make sure those, you have your team talk to that company, and if they're going to be 1099-ing you, we want to make sure we have that as well. Next up is you probably play... If you're on Korn Ferry last year, you probably played in four different countries outside of the US, want to make sure that we get those tax documents from the tour, because we don't want to pay double taxes. We want to make sure that any taxes we paid in those foreign countries, we are using as a tax credit here in the US so make sure you have those. Obviously, if you were on the PGA tour, you had quite a few countries as well.

Aaron Goldberg ([04:26](https://www.rev.com/transcript-editor/Edit?token=555PGWFCbBRd7k__3W1S7flsVWOzeBj4NPrgfwnMiOUTXuWvlHgqswR-eRSqN8m9LyVK4yi_-aUSbakZYh7hWY2dMig&loadFrom=DocumentDeeplink&ts=266.14)):

This year for 2021's probably going to be a little bit different since we're traveling outside of the US a little bit less, but we just want to make sure that we're accounting for those so that we don't end up paying twice the taxes. Next up will be more of a planning item. And this is where we call tax planning as opposed to tax compliance and just filing our taxes, is hopefully you have an individual 401k already set up and you made your contributions before the end of the year last year, or at least designated how much you're going to contribute. And you can fund it before you file your taxes for this year. If you don't have that setup and you haven't done that, it's not ideal. That is the best case scenario is to have the individual 401k.

Aaron Goldberg ([05:12](https://www.rev.com/transcript-editor/Edit?token=_lhcoxXYx-i7ea2j8CUtcI-GOLXJkv8tXGvLBJY36JJM4gKDP-rjngm70CWlqKpQIpLu8kfCEvHJI_hcdO1ThecOeNo&loadFrom=DocumentDeeplink&ts=312.22)):

But if you didn't do that, you can still use a SEP IRA. And probably what we would advise is later on converting that to an individual 401k, but you can make your contribution now to a SEP IRA up to the $57,000 limit. And if you made quite a bit of money last year, more than you're used to, or you're in the higher tax brackets, we want to try and defer that tax. So contributing to that SEP IRA will help you out there. Now with the off year, and maybe you didn't get to play as much, or you didn't play as well. And maybe you were, had a lower income year, and you're in one of the lower tax brackets. You may want to look at if you're eligible to contribute to a Roth IRA. And that's where we pay the taxes, but that money that goes into that account is tax-free and can grow tax free as long as you keep it in there.

Aaron Goldberg ([06:02](https://www.rev.com/transcript-editor/Edit?token=5y2Xh2sf8QOOfMuhijWXCSWUL5dzMxUF9l-32iHjel8zWZ9Z8f7HOtRGBAIvPAW0udGpjE7Sy7ATfOGDZ6FfzwlgisE&loadFrom=DocumentDeeplink&ts=362.49)):

So, and then when you take it out in retirement, all the growth is tax free as well. So that could be a good planning opportunity there since last year was such a funky year and all over the place. But that's something, again, you're going to talk to your tax advisor, your team, and make sure you are looking at those two different opportunities. My goal here on the podcast is just make you aware of them so that we're not missing anything. And you can talk to the team that you have to get that in place. The one other thing we're going to look at is depending on who does your bookkeeping, whether it's you, whether it's your spouse, whether it's your tax team, we want to make sure that we're getting everything to them. That's your credit card statements, your bank statements, a list and a print out of all the checks you wrote for golf.

Aaron Goldberg ([06:54](https://www.rev.com/transcript-editor/Edit?token=h4XrvhZsqOhCX5aCqR93tRCaWSLAQlVpK69hQYBVcMs2Lv64c8w19kyitA51ZA0PQdf-9zk_BSjWHETLwCWZSMbPIa8&loadFrom=DocumentDeeplink&ts=414.75)):

So that's, think your caddy, any coaches, any trainers, anyone else that you wrote physical checks to, or Venmoed, or however you did it, we want to make sure we accounted for all that so that we are deducting that because that's all a write-off and we don't want to... If we can reduce how much we're paying taxes on, we want to make sure we do that. Again, tax efficiency is going to be such a good way for you to maximize the money in your pocket now, which then gives you more money to grow for the future and more money to invest in yourself, to become a better athlete, become a better golfer, and hopefully make more money on tour.

Aaron Goldberg ([07:29](https://www.rev.com/transcript-editor/Edit?token=Hr1T1xf7YZTLeisG6_XcpwVcqp9sF-GbENnh3H9ADyLovUN08FVudMcuotvLBGc9XdKq94yNk2tAuMxhCnqpHxUYW1k&loadFrom=DocumentDeeplink&ts=449.7)):

One thing that I do want to point out for this year is meals are a hundred percent deductible for this year and next year, 2021 and 2022. This is part of the legislation that's gone through with COVID and the stimulus is to try and help out some of the restaurants and encourage people to go eat out at restaurants. When you're on the road, you're going to be eating at restaurants anyways. So it doesn't mean go spend more money or get a nicer dinner. But what it does mean is it's that much more important to keep track of all this, because in normal years, we can only write off 50% of those meals. Now we can write off all 100%. So make sure you're keeping track, whether it's paying with a card and keeping your print outs of your statements so that we're doing your bookkeeping and making sure that we're accounting for it.

Aaron Goldberg ([08:22](https://www.rev.com/transcript-editor/Edit?token=5pbIW1VA8nvMScEBlvFQp28ba0uaDZhajxPrkqhME_hYRsBW8J9cggBaLTP2h4yLlwLmye1D7qjHzbryEjh3yicHh7Q&loadFrom=DocumentDeeplink&ts=502.38)):

Or if for some reason you have to pay cash and it's a bigger expense, keep a receipt so we can write that off. And then one thing I do want to go over is some of the things that are deductible versus some of the things that aren't deductible, and this goes into, there's going to be stuff that's self-explanatory, but there's going to be stuff that I've heard some misinformation that I want to clarify. So things that are deductible for you as a professional golfer, you're a business. So think about it that way. So your cell phone bill, you can write that off. You need that to conduct your business, your internet at home, same thing. You have to book travel, you have to talk to your sponsors or all that type of stuff. Your internet bill, you can write that off. Your car, if you're driving to a tournament, you can either write off the mileage and there's a set amount per mile that the IRS gives out.

Aaron Goldberg ([09:16](https://www.rev.com/transcript-editor/Edit?token=8fvMymi4AOYGWJaPcOso4qstYWJSn44TUnyVF0gJ8iwbyiyULBoXgcnDl1SRAcxaEp-oQStbRsrWtC7nXmvF8mUh-qk&loadFrom=DocumentDeeplink&ts=556.74)):

Or you can write off the expenses for that trip, whether it be the gas and the maintenance on the car for that percentage of miles for the overall year. Again, that'll be up to your tax team to figure out the most optimal way to write that off. But we want to make sure we're paying attention there. Now, what isn't deductible? Your cable bill, not deductible. Your entertainment, not deductible. Unfortunately it used to be, now it's not. Even when it's on the road, you can't. Meals at home when you're just out with your friends, not deductible, and then same thing with your car. It's not going to be deductible when you're just driving around town. So we want to keep that in mind.

Aaron Goldberg ([09:59](https://www.rev.com/transcript-editor/Edit?token=ICVz3lB_dqFydxKuULPGoiODZDi4_IJ7WgtB_u21RnQ3pN4QQzwmTMI51SdhDxHk3b_b6Sd3KPVYakSIBtK88r-A-ZQ&loadFrom=DocumentDeeplink&ts=599.19)):

The last thing tax-wise that I want you to keep in mind is if you're spending time in two different states in your off weeks, and you're trying to establish a residency in one that's a lower tax state, say Nevada versus California, heard that a few times. Just be really cognizant of how you're allocating that time. Because especially as you start to earn more and more, the states will look at it, especially if you used to live in California and file taxes there, they'll subpoena your credit cards or your phone records, and they can actually see where you've been.

Aaron Goldberg ([10:35](https://www.rev.com/transcript-editor/Edit?token=3YNF2HnqPAZFBQNp2UtPmpAzooAg0aOkr1q4AOUB_CQcOEvdVEDZHavrPQkFjfDpl0_v-_zBA4N7_zNxTlvsCogTM8I&loadFrom=DocumentDeeplink&ts=635.72)):

So make sure you're allocating that correctly and not fudging it because it will add stress down the line. And if you get audited, it's going to be a big pain. So don't, I wouldn't mess with it. Just make sure you're doing it correctly and talk to somebody that knows what they're doing and not just another buddy on tour that's that's trying to pull it off too. So that's the tax talk for today. We're done with it. I know we've talked a lot about taxes, but again, that's going to be one of the best ways to maximize the money in your pocket now. Hopefully this brings up some questions that you can ask your tax team, and then we are always happy to be a resource as well. So until next time, stay hungry, stay humble, and always be a pro.