



The eBay Auction Newsletter

Issue 0103 – March 13, 2007

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Proudly published for over 4 years by Brian McGregor

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<http://www.auctioninnercircle.com>

Welcome from Brian McGregor



Hello and welcome.

A particularly warm welcome to you if you're a new subscriber. It's good to have you as part of the family taking my eBay auction newsletter.

I trust everything is well with you and yours. And that your eBay activities are successful.

This edition of the newsletter is somewhat shorter than usual, although I hope no less useful for that.

The reason for the brevity is that much of my time is currently devoted to my eBay Auction Inner Circle project.

I am hoping this is going to provide you, and many other eBayers, with the keys to enable you to really make it as big as you wish on eBay.

I'd better get my nose back to the grindstone!!

Look forward to speaking with you again.

A handwritten signature in black ink that reads "Brian McGregor". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

1. Inspirational Quote of the Day

"I have always been delighted at the prospect of a new day, a fresh try, one more start, with perhaps a bit of magic waiting somewhere behind the morning."

Joseph Priestley

2. News and Views

1. Free eBay Research Tool

Here is an excellent video from eBay guru **Jim Cockrum**.

It's only 3 minutes long and shows a free eBay research tool from mpire.com

<http://www.silentsalesmachine.com/video/mpire/mpire.html>

Just one point, Jim mentions that you can access this tool from the bottom of mpire's home page. Well, you can't anymore. They must have thought twice about giving this information away free!

However, here is the link where you **can** access this free research tool. You have to give them your email address, but it's not a lot in return for the valuable information you get access to.

<http://www.mpire.com/research/registration.page>

2. Is the Tax Man After You?

Most people know that money earned on eBay should really be declared for tax purposes. Depending on the country in which you reside, you can probably expect the tax authorities to be more or less vigilant when it comes to checking out the eBay income of individuals.

Some sellers in Australia received an email recently informing them that eBay had handed over user information to the Australian Tax Office (ATO). Sellers affected were eBay.com.au users whose annual sales generated more than AU \$50,000 during one or more of the financial years between July 2003 to June 2006.

In the UK, the Inland Revenue have said they are closely monitoring the position. Whatever that means!

For sellers in the USA, there is a guest article in this newsletter which may be of help.

http://www.auctioninnercircle.com/newsletter_archive/newsletters_web/070313.htm#art1

The best advice would seem to be to get your eBay house in order. It's much better to be prepared, than to be caught on the hop!

3. Change of Policy Confirmed - RIP eBay.co.uk???

In the last newsletter I told you of a change in eBay policy that was currently being implemented - or tested as eBay call it!

It's bad news for you if you're a UK seller, but good news if you're a USA based seller.

For sellers who create auctions on ebay.co.uk, these will no longer appear on ebay.com. This means you will lose the exposure on ebay.com that was previously standard for your auctions.

If you list on ebay.com, however, then your auction will still appear on the default search results for both USA and UK eBay, depending on the category.

What this means is that if you're a UK seller, whilst your auction won't appear on ebay.com, your ebay.co.uk auction will still face competition from USA based sellers.

If you're a USA based seller, you get the best of all worlds. At least for now! eBay have announced that your auctions will appear in a certain number of categories. And, if you're an ebay.com buyer, you'll be getting less choice. UK auction items will no longer appear in USA eBay default results.

However, if you're UK based, and the USA market is important to you, there is a solution. What you could do is list your auctions directly on ebay.com. Simply go to www.ebay.com, login with your ebay ID and password and you can create auctions on ebay.com.

If you're a UK based seller, and USA is not your primary market, then you should continue to list on ebay.co.uk, but bear in mind that you will not receive any exposure on ebay.com.

You can read an update about this change in policy here:

<http://www2.ebay.com/aw/uk/200703081148112.html>

4. Aren't Children Little Darlings?

On the first day of school, the children brought gifts in to class for their teacher.

The florist's son brought the teacher a bouquet of flowers.

The candy-store owner's daughter gave the teacher a pretty box of candy.

The liquor-store owner's son brought up a big, heavy box.

The teacher lifted it up and noticed that it was leaking a little bit. She touched a drop of the liquid with her finger and tasted it.

"Is it wine?", she guessed.

"No", the boy replied.

She tasted another drop and asked, "Is it Champagne?".

"No", the boy said.

She licked her finger again, "Perhaps it's a soft drink?", she thought that maybe the boy was too young to carry alcohol.

"No," said the little boy. . . "It's a puppy!"

3. Are You Required to report Your eBay Earnings?

Guest Article by Kristine A. McKinley

Many people ask me if they are required to report the profits they earn on items they sell on eBay. The answer is "yes".

If you sell items on eBay for a profit, then you should report your eBay sales, and you may owe income taxes on any profits. It doesn't matter if it's just a hobby or if you are trying to build a business.

Generally, any income you receive from all sources is subject to income tax unless it is specifically exempt by law (hint: eBay profits are not exempt by law). That means that a lot of activities that you might not think of as taxable, such as garage sale income, gambling winnings, and yes – eBay profits – are taxable.

You must file a tax return if your net earnings from self employment are \$400 or more. You are self employed if you carry on a trade or business for profit. If you are selling on eBay with the intent of making a profit, then you are self employed.

To report your earnings, you should file Form 1040, and attach Schedule C or C-EZ. Schedule C is used to calculate your net profit or loss from your business, which is then reported on your Form 1040.

At this point, you may be thinking "I don't run a business; I just sell on eBay as a hobby". Unfortunately, income from hobbies is taxable as well. Even worse, you can only deduct expenses up to your hobby income, which means losses are not deductible.

There are several tax advantages to selling on eBay. Personal expenses, such as the use of your car, home or computer may become partially deductible, retirement savings plans can shelter part of your eBay income from taxes, and you may be able to hire your family to help shift income to members in a lower tax bracket. So even if you only sell a few items on eBay, not only are you required to report your eBay earnings, it may even help you reduce your income taxes by taking advantage of tax opportunities available only to small business owners.

Finally, there is a common misconception that if you did not receive a 1099 or W-2, you are not required to report your income. This is not true. All income is reportable, regardless of whether you receive a form or not. eBay is only a facilitator of the auction; therefore you will not receive a 1099 from eBay reporting your sales.

About the Author

Kristine A. McKinley, CPA, Certified Financial Planner®, and founder of Beacon Financial Advisors, teaches individuals and families how to invest and plan for retirement, college, and other financial goals. Kristine offers financial and tax planning on an hourly, fee-only basis.

For more information on eBay taxes, I recommend you get Kristine's free special report 'Tax Tips for eBay Sellers'

http://beaconfinancialtips.typepad.com/ebaytaxtips/2007/02/free_special_re.html

and visit her blog:

<http://beaconfinancialtips.typepad.com/ebaytaxtips/>

4. How to Get Organized to Answer Questions from Interested Bidders

If you want to generate most sales, it is always a sensible policy to answer buyers' questions speedily and fully. After all, they may be weighing up a few similar items, and the timeliness of your response to their question might be the determining factor in whether or not they bid for your item.

However, it is a hit or miss affair when all you're doing is waiting for those "Ask seller a question" emails to arrive. There is a much better way to handle prospective buyers' questions than this.

eBay now offers two excellent facilities to help you pre-answer your buyers' questions, and to prioritize questions to which they require an answer.

First, you can significantly reduce the number of questions you receive by creating a list of FAQs (Frequently Asked Questions) and have these displayed to any bidder who hits the "Ask seller a question" button.

To activate this, you simply go to selling preferences in your selling account. Once there, look for "Ask seller a question", and within that you can create a frequently asked questions and answers list. You can have up to 15 questions and answers in your list. Whenever a visitor to your auction page clicks on "Ask Seller a Question", the page they are taken to includes your FAQs. Perhaps you have already covered the question the potential bidder wants to ask. Aren't you clever? No email to you, and your bidder gets an immediate answer!

Second, you may know that whenever a potential bidder clicks the "Ask Seller a Question" link on your auction listing, they're taken to a page where they select from standard question categories. eBay provides several pre-set options from which they can choose, such as "Question about how to pay for this item" or "Question about shipping for this item" etc.

Now, you can replace these standard categories with your own, and create category names which are more relevant to your market and items. You can even add up to nine additional categories of questions. With this facility you can give your prospective buyer a far more personal and meaningful list of categories within which they can place their question.

Again this service is available via selling preferences in your selling account. Go to "Ask seller a question", and within there go to "Customize the question types that buyers can choose from".

If you employ both of these techniques, it should help you to reduce the time you have to spend on answering questions. Plus, you can provide a much more efficient service which might just be the difference in interested buyers and bidders deciding to favor your item.

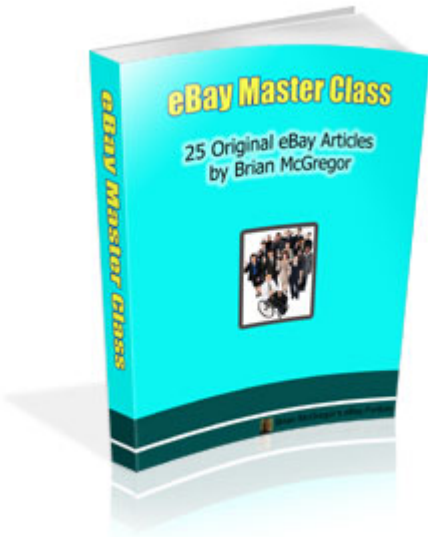
Like many of these relatively underused eBay facilities, once you've set them up, you can forget about them. It could be worth a few minutes of your time now, and you will be repaid handsomely in the future.

5. A Gift from Me to You

Once in a while, I get to blow my own trumpet!

In this newsletter, I'm delighted to provide you a free gift from my own stable of products.

My ebook the "eBay Master Class" is a dip-in articles resource, and will have something for you no matter what level of eBay experience you have.



Just click on the ebook image above to be taken to the download page for the "eBay Master Class".

6. Someone's auctioning what? Unusual items currently available

Nothing surprises me when it comes to internet auctions. Amuse yourself with some of these beauties.

[I suppose it could be worth something some day!](#)

[What? No bids? Can't understand that....](#)

[Is it just me? Check out the item, and then the sellers ID](#)

[Used, but in brand new condition? I guess they must have been in the gents!](#)

[Any budding actors out there?](#)

Disclaimer - I have no association with any of the sellers of the above items.



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NOTE: Depending on when you view this newsletter, you may find some links to third party sites no longer work. I know how frustrating this can be. But please don't shoot the messenger! The internet is a fast moving environment and, as the newsletters age, it is to be expected that some links may become obsolete over time.

The moral of the story?

If the newsletter sends you to a site that interests you, and you think you might want to refer to it later, make sure you store the site address in YOUR favorites.