PASS GEORGIA
REAL ESTATE EXAM PREP

GEORGIA REAL ESTATE EXAM GLOSSARY

Independent contractor

An independent contractor is a worker treated as operating independently rather than as an employee under the legal test relevant to the issue.

OFFICIAL AREA	KNOWLEDGE CLUSTER	LEARNING SYSTEM
Practice of Real Estate	**Competition and business conduct**	**Define, distinguish, apply, retrieve**

SOURCE STANDARD

Official exam outline plus authoritative Georgia or federal references where the topic has a controlling rule. Independent educational resource, not affiliated with GREC or PSI.

01 / COMPLETE LESSON

Build the complete exam definition

Learn the rule, separate it from the nearest distractor, then apply it to a Georgia fact pattern.

CORE DEFINITION

What does Independent contractor mean?

An independent contractor is a worker treated as operating independently rather than as an employee under the legal test relevant to the issue. Qualifying real estate agents can be statutory nonemployees for federal tax purposes when licensing, output-based compensation, and written-contract requirements are met.

CLOSEST DISTINCTION

How do you separate the nearest exam answer?

Tax classification is not identical to licensing supervision. A Georgia qualifying broker must supervise affiliated licensees even when a written agreement calls them independent contractors.

GEORGIA APPLICATION

What changes or stays the same in Georgia?

Broker oversight, advertising rules, trust-fund controls, and compensation-through-broker requirements remain in force for Georgia affiliated licensees.

WORKED EXAMPLE

A salesperson's agreement states federal tax nonemployee treatment and compensation is based on transactions, but the qualifying broker still reviews advertising and transaction files.

EXAM TRAP

The label in a contract does not erase statutory duties or control every employment-law test.

Memory cue: The label in a contract does not erase statutory duties or control every employment-law test.

02 / PRACTICE AND MASTERY

Retrieve the rule under exam conditions

Answer before reading the explanation. Then explain why every distractor belongs to a different term.

ORIGINAL PRACTICE CHECK

Which statement correctly explains Independent contractor?

- **A** An independent contractor is a worker treated as operating independently rather than as an employee under the legal test relevant to the issue.
- **B** A qualifying broker is the broker designated to GREC as responsible for a licensed firm's brokerage activity, affiliated licensees, trust funds, records, advertising, and compliance with Georgia license law and Commission rules.
- **C** A Georgia salesperson is an individual licensed to perform real estate brokerage activity on behalf of a broker.
- **D** Antitrust law protects competition by prohibiting agreements and conduct that unreasonably restrain trade, including price fixing, market allocation, and certain group boycotts among competitors.

CORRECT ANSWER: A

Independent contractor is correct. An independent contractor is a worker treated as operating independently rather than as an employee under the legal test relevant to the issue. Qualifying real estate agents can be statutory nonemployees for federal tax purposes when licensing, output-based compensation, and written-contract requirements are met. Tax classification is not identical to licensing supervision. A Georgia qualifying broker must supervise affiliated licensees even when a written agreement calls them independent contractors. Broker oversight, advertising rules, trust-fund controls, and compensation-through-broker requirements remain in force for Georgia affiliated licensees.

MASTERY TRACKER

Mark each box only when you can perform the skill without looking.

- [ ] I can define the term in one precise sentence.
- [ ] I can separate it from the closest look-alike.
- [ ] I can explain the Georgia rule or confirm that the national rule applies.
- [ ] I can answer the practice check and explain every option.

03 / CONNECTIONS AND AUTHORITY

Connect the term to the wider exam

Use these relationships to move from isolated recall to a connected exam model.

RELATED TERM

Qualifying broker

A qualifying broker is the broker designated to GREC as responsible for a licensed firm's brokerage activity, affiliated licensees, trust funds, records, advertising, and compliance with Georgia license law and Commission rules.

https://www.passgeorgiarealestate.com/glossary/qualifying-broker

RELATED TERM

Georgia salesperson

A Georgia salesperson is an individual licensed to perform real estate brokerage activity on behalf of a broker.

https://www.passgeorgiarealestate.com/glossary/georgia-salesperson

RELATED TERM

Antitrust

Antitrust law protects competition by prohibiting agreements and conduct that unreasonably restrain trade, including price fixing, market allocation, and certain group boycotts among competitors.

https://www.passgeorgiarealestate.com/glossary/antitrust

RELATED TERM

Firm license

A firm license is the Georgia license issued to a business entity conducting brokerage activity through a qualifying broker.

https://www.passgeorgiarealestate.com/glossary/firm-license

RECOMMENDED NEXT COMPLETE LESSON

Practice of Real Estate complete lesson

https://www.passgeorgiarealestate.com/study-guide/practice-of-real-estate/employment-status

EXAM SOURCES AND AUTHORITY NOTES

1. PSI Georgia Candidate Information Bulletin, 7/1/2026

Official exam administration and content-outline source.

https://test-takers.psiexams.com/api/content/bulletin/4672

2. Internal Revenue Service, Real Estate Agents

Federal tax source for statutory nonemployee treatment of qualifying real estate agents.

https://www.irs.gov/businesses/small-businesses-self-employed/real-estate-agents

3. Georgia Real Estate Commission Rules, Chapter 520-1

Official Georgia Secretary of State publication of Commission rules governing licensure and brokerage.

https://rules.sos.ga.gov/gac/520-1