

Itemized Deductions:

Below is a list of the most common itemized deductions allowable:

### **State & Local Taxes**

State, School & City Taxes paid through W-2 Withholding  
Estimated taxes paid in the calendar year for State, School and City  
Payments for prior years return -- State, School or City

Or you have the options to deduct Sales Tax instead of State and Local Taxes

If you choose the sales tax option you can

Deduct the sales tax you paid based on all non business receipts

Or

Use the standard table (which we will calculate for you)

Plus sales tax paid on autos, trucks, boats, airplanes, homes or home bldg material

### **Real Estate Taxes**

Real estate taxes are deductible in the year they are paid  
Real estate taxes are deductible for all properties owned by a taxpayer  
Real estate taxes paid at a closing on a home you sold are deductible in the year paid

### **Personal Property Taxes**

Personal property taxes paid annually on the value of your vehicle are deductible  
Licenses paid on vehicle are not deductible

### **Mortgage Interest**

Mortgage interest paid on home or second home- Debt must be secured by home  
Interest paid on Motor Home or Boat if the Motor home or Boat have Cooking, Sleeping and Toilet facilities  
Points on principal residence – original loan  
Points paid to refinance home can be amortized over life of new loan  
Mortgage insurance premiums

### **Investment Interest**

Interest paid on money borrowed to buy investment property including stocks & bonds.  
Investment interest is deductible each year up to the amount of net investment income received.

### **Charitable Contributions**

\$250 or more must have written receipt from organization  
Under \$250 must have cancelled check or written receipt  
Non Cash Donation you need:

Name of Charitable Organization

Date and location of contribution

Description of property and Fair Market Value of each item

Charitable Mileage

Out of pocket expenses when serving a qualified organization

Exchange student – Deduct up to \$50 per month

**Medical – Deductible to extent they exceed 7% of your taxable income**

You can deduct the amounts in the year paid not the year billed. All medical deduction are for amount you paid after insurance payment and reimbursements.

Abortion, legal  
Acupuncture  
Alcoholism treatment  
Ambulance service  
Artificial limbs and teeth  
Birth control pills prescribed by a doctor  
Breast reconstruction  
Camp for children with disabilities  
Car cost to specialized for handicap and wheelchairs  
Childbirth preparation classes  
Chiropractor  
Contract Lenses  
Crutches  
Dentures  
Doctor or Physician  
Drug addiction treatments  
Exercise program if doctor recommends as treatment for special condition  
Eyeglasses  
Eye surgery including laser eye surgery  
Fertility enhancement  
Guide dog  
Hearing aids  
Hospital care  
Humidifier to help patient with severe allergies  
Insurance premiums (if not pre-taxed through employer)  
Long Term Care Insurance  
Laboratory fees  
Lodging for patient and one care provider up to \$50 per night  
Medical aids, wheelchairs, hearing aids and batteries etc  
Medicine and drugs prescribed by doctor  
Nursing home if main reason is to obtain medical care  
Orthopedic shoes – excess cost  
Oxygen/Oxygen equipment  
Remedial reading  
Smoking cessation programs and prescription aids  
Special education under special conditions  
Transportation cost  
Vasectomy  
Weight loss program for obesity including health club cost  
Wheel chair and motorized scooters  
Wigs for patient with hair loss  
X-ray services

Special condition medical allowed  
Air conditioning when a family member suffers from respiratory ailments  
Modification to home to accommodate a physical handicap  
Swimming pool for therapeutic purposes

### **Casualty Losses**

Casualty losses are deductible to the extent they exceed 10% of your income

### **Common Miscellaneous Deductions – Deductible if exceed 2% of taxable income**

Employee Business expenses

- Professional books

- Job related education

- Supplies

- Uniforms

- Tools

- Vehicle Mileage (cannot use miles to and from work)

- Hotels and meals for business stays overnight

- Medical examinations required by employer

- Long distance telephone calls

Investment expenses & IRA custodial fees

Job hunting expenses

Professional and union dues

Safety deposit box fees

Tax preparation fees

Work clothes and Uniforms if not suitable for street wear

### **Miscellaneous Deductions – Deductible in full**

Gambling losses, up to the amount of gambling winnings only

Repayment of taxable income

The above list is not 100% inclusive – if you have a question on something not listed, please give us a call.

### **Not deductible**

- Funeral expenses

- Teeth Whitening

- Nonprescription nicotine patches

- Over the counter medication

- Dietary supplements

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