

TAX GUIDE

a deduction checklist



Finding every tax deduction for which you qualify is like finding money. Tax deductions generally come in two categories – those you can take only if you itemize on Schedule A and those you can take even if you don't itemize (you use the standard deduction instead).

To make the most of your deductions every year, start by reviewing your prior year's tax return. Identify each write-off and determine whether you're entitled to the same type of deduction for the current year. If it appears that you aren't, or if a deduction is significantly lower than in the previous year, make sure you understand why.

Also, review your activities during the year, since out-of-the-ordinary events sometimes trigger tax deductions. For example, you may be entitled to additional write-offs if you bought or sold a home, refinanced a mortgage, or suffered a casualty loss during the year.

Protect your deductions by keeping the documentation you need to support them. If you do not have adequate substantiation for a tax deduction, you may lose the deduction and pay more tax as a result.

Use this checklist as a starting point to find deductions that could cut your tax bill.

YOUR home

- ☐ Mortgage interest.
- ☐ Real estate taxes.
- ☐ Points paid by you on a new home loan.
- ☐ Points paid by seller on your behalf.
- ☐ Points paid on refinancing (pro rata over life of loan).
- ☐ Remaining undeducted points on refinancing when you refinance again or pay off the loan.
- ☐ Home office expenses, if you qualify.
- ☐ Home improvements done for medical reasons, to extent home's value isn't increased.
- ☐ Costs of moving to a new home, if your move is job-related and meets qualifications.

YOUR work

- ☐ Union and professional dues.
- ☐ Continuing professional education expenses.
- ☐ Professional books, journals, and information services.
- ☐ Job-related education expenses.
- ☐ Job-hunting travel and phone expenses.
- ☐ Job counseling fees.
- ☐ Employment agency fees.
- ☐ Resume preparation costs.
- ☐ Small tools used in your job.
- ☐ Uniforms or special work clothing.
- ☐ Unreimbursed employee business expenses (such as business travel).
- ☐ 50% of self-employment tax.
- ☐ Health insurance premiums, if self-employed.



YOUR investments

- ☐ Fees for investment advice.
- ☐ Subscriptions for investment-related publications.
- ☐ Travel to manage investment property.
- ☐ Capital losses.
- ☐ Loss for worthless investments.
- ☐ Suspended passive losses.
- ☐ Interest expense (limited).
- ☐ Penalty for early withdrawal of savings.
- ☐ Contribution to traditional IRA.
- ☐ Contribution to Keogh, SEP, SIMPLE, or 401(k) plan.
- ☐ IRA trustee fees, if billed and paid separately.
- ☐ Amortization of premiums on taxable bonds.
- ☐ Fee for safe deposit box.

MEDICAL expenses

- ☐ Health insurance premiums.
- ☐ Unreimbursed healthcare expenses.
- ☐ Lodging and mileage on trips for medical care.
- ☐ Eyeglasses, contact lenses, and lens insurance.
- ☐ Chiropractic treatments.
- ☐ Prescribed weight-loss programs.
- ☐ False teeth, hearing aids.
- ☐ Braces, crutches, wheelchairs, and similar devices.
- ☐ Drug or alcohol abuse treatment.
- ☐ Prescription drugs or programs to stop smoking.
- ☐ Medical expenses of a parent for whom you provide over 50% support.
- ☐ Cost of nursing home where medical treatment is principal reason for stay.
- ☐ Contributions to a health savings account (HSA).

YOUR family

- ☐ Special schools for a handicapped child.
- ☐ Student loan interest.
- ☐ Alimony paid.

CHARITABLE giving

- ☐ Cash contributions.
- ☐ Fair market value of property contributed (vehicles limited to actual selling price).
- ☐ Actual expense or mileage rate for driving in charitable work.
- ☐ Out-of-pocket expenses of charitable work.

OTHER deductions

- ☐ Additional standard deduction if blind, or age 65 or older.
- ☐ Fees for tax planning and preparation.
- ☐ Personal property taxes.
- ☐ Casualty and theft losses, within limits.
- ☐ Gambling losses to extent of winnings.
- ☐ Foreign taxes paid.
- ☐ Excess deductions from prior years (examples: capital losses, excess investment interest, or suspended "passive" losses).

The information in this brochure is of a general nature and should not be acted upon without further details and/or professional guidance. For assistance in identifying and utilizing all the tax deductions to which you're entitled, please contact us.



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