

Itemized Deductions

Notes are at end of listing of itemized deductions

Taxes [Capped at \$10,000]:

State Income Tax or State Sales Tax [per chart] whichever is greater
Real Estate Taxes [all *non* business properties]
Personal Property Taxes where applicable

Interest:

Home Mortgage [**See Note #3 for limitations**]
Investment Interest – Limited to Investment income [Interest/Dividends]

Medical [subject to Limitation – 7.5% of AGI]

Health Insurance Premium [see Note #2]	Long Term Care Premiums [see Note #1 for limitations]
Hospital Care – Inpatient and Outpatient	Care Provided by MD, DO, DDS, DMD, DC, DPM, DN
Pharmaceuticals [RX]	Physician Ordered Medical Appliances and Equipment
Eye Care and Glasses [including contact lens]	Therapies – Physical, Occupational, Psychological
Physician Ordered Test and Procedures	Travel Costs – Auto Mileage [see Note #1] Bus and Taxi
Ambulance Services and Medivan Services	Parking and Tolls
Physician Ordered Home Care	Nursing Home and Long Term Care Facilities
	Hearing Devices and Ear Care

Contributions – Charitable [**see Note #4 for required Documentation**]

Contributions should be made by check or credit card [cash contributions should be avoided – not deductible]

NON-Cash Contributions:

Vehicles, Boats – Require Detailed Information and Supporting Documents in an Approved Department of the Treasury --- Internal

Revenue Service [IRS] format [**see Note #5 for additional information and limitations**]

Marketable Securities – Fair Market Value Date of Donation [Quoted Price from Stock Exchange]

Requires Documentation from Donee in Approved IRS Format.

Works of Art and Collectables - Fair Market Value Date of Donation [Requires an Independent Appraisal in approved IRS Format]

Clothing, Toys, Books, Household Furniture and Appliance ... for these items to be deducted as a Charitable Deduction [**See Note 5a**]

NOTE: For Tax Year 2020 and following Tax Years a \$300 Charitable Deduction can be claimed in addition to the Standard Deduction

Qualified Charitable Distribution [See Discussion under caption “Required Minimum Distribution ... RMD]
[Click here](#)

Other Deductions [Under GOP Tax Bill – *No Longer Deductible*]

Employee Business Expenses	Job Search Costs	Investment Fees	Income Tax Preparation Fees
Union Dues	Safe Deposit Box Costs	Fees incurred re: Income and Asset Protection	

Gaming Losses [Limited to the Amount of Gaming Winnings – See Note #6]

Moving Expenses [Under GOP Tax Bill limited to Military Personnel ONLY]

Casualty Losses [see Note #7 for Limitations]] Not subject to the 2% limitation

Notes

- # 1 See Federal Income Tax Quick Reference
- #2 Only Health Insurance Premiums paid with after tax dollars is deduction [subject to medical deduction limitations 7.5% of Adjusted Gross Income]. Health Insurance Premiums paid via salary reduction are **not** deductible since these premiums were paid with non-tax funds. Medicare Supplemental Premiums paid from Social Security Benefits are deductible [subject to medical deduction limitations 7.5% of Adjusted Gross Income] since these premiums are deducted from the gross benefit.
- #3 Mortgage interest is deductible on only two non business related properties. If there are mortgages on three or more homes/qualified boats, one must decide the interest paid on what two properties will be claimed. In addition, if the outstanding mortgage exceeds \$1 million [homes purchased prior to December 16, 2017], only the interest paid on the first \$1 million of outstanding debt is allowable as a deduction. Under **GOP Tax Bill**, if the outstanding mortgage exceeds \$750,000 [homes purchased after December 15, 2017], only the interest paid on the first \$750,000 of outstanding debt is allowable as a deduction and **home equity debt interest is limited to** the lesser of
- \$100,000 (\$50,000 if married filing separately)
 - Home's fair market value reduced by the amount of the home acquisition debt and grandfathered debt
- #4 Per IRS regulations contributions or donations must be supported by two documents. The first supporting document is either a cancelled check or a credit card receipt. The second supporting document is a letter from the donee. This letter must be dated and issued during the calendar year in which the contribution/donation is being claimed as a deduction. The letter must contain a statement indicating that no goods and/or services were provided in regards the donation [**failure to contain such a statement will make the document invalid**]. If goods and/or services were received the donee's letter must indicate the value of the goods and/or services received [**only the amount of the donation in excess of value of goods and/or services received is an allowable donation**].
- #5 If the donee entity does **not** use the vehicle or boat or aircraft for its tax exempt purpose [in its business] for a two year period, the allowable deduction is funds the tax exempt entity receives. The tax exempt entity is required by IRS regulation to provide this information. Should the tax exempt entity use the donated vehicle/boat/aircraft for its tax exempt purpose, the deductible amount is the fair market value of the donated vehicle/boat/aircraft. If the tax exempt entity **does not** use the donated vehicle/boat/aircraft for a full two year period, the deductible amount reverts back to the amount the tax exempt entity receives for the vehicle/boat/aircraft [this could result in filing an amended income tax return as the donation may have been overstate in the original income tax filed].
- #5a Donation of clothing, furniture, appliances, toys, books, etc. requires supporting documentation. The supporting documentation must include: a detailed listing of items donated, date donated, name and

full address of the donee organization [street address, city, state and zip code], the fair market value of each item donated [usually thrift shop value], date donated items were purchased and purchase price.

#6 Gaming losses must be supported by a log. The log should include by date: amount won and the amount waged.

#7 Each casualty loss is subject to two deductibles. First there is an automatic \$100 deductible. Then there is a second deductible ... 10% of Adjusted Gross Income [AGI]. The deductible amount is also limited by the insurance proceeds received, ie: the deductible loss is the Total Loss [-] Amount Received from Insurance Carrier [-] \$100 Deductible [-] 10% of AGI Deductible. If an insurance claim is **not** filed, the amount that would have been received from the insurance carrier will continue to be used in calculating the deductible loss [this is by IRS regulations].

<see disclaimer - legal>