

# TAX DEDUCTION CHECKLIST

**TAX** deductions lower your taxable income and are reported on Schedule A if you itemize but some deductions are allowed even if you don't itemize but use the standard deduction instead.

Every year taxpayers overlook the opportunity to report allowable deductions and pay more in taxes. Become familiar with the deductions listed here so you can recognize qualified deductions and keep appropriate records throughout the year. This will reduce the chance of missing important deductions.

Take time to review your activities and any financial decisions made throughout the year, since you may have events which generate tax deductions. For example, you may be entitled to additional write-offs if you moved for job purposes, refinanced a mortgage, or suffered a casualty loss during the year.

Your deductions must be supported by documentation and be kept with your tax records. If you are required to verify your deductions but do not have adequate substantiation, you may lose the deduction and pay more tax as a result.

Use this checklist to help find deductions that could reduce your tax bill.

## Home

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- 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 deductible 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 the home's value does not increase.
- Costs of moving to a new home, if your move is job-related and meets qualifications.

## Investments

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- 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.

## Work

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- 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.
- Moving expenses to take new job
- Employment agency fees
- Resume preparation costs.
- Small tools used in your job.
- Uniforms or special work clothing.
- Unreimbursed employee business expenses (such as

## Charitable Giving

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

## Family

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

## Medical Expenses

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- Health insurance premiums
- Unreimbursed healthcare expenses (hospital, lab, x-rays, etc.).
- Lodging, mileage, and transportation for medical care.
- Eyeglasses, contact lenses, and lens insurance.
- Doctor and dentist fees.
- 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 reason for stay.
- Contributions to a health savings account (HSA).

## Other Deductions

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- Additional standard deduction if blind or age 65 or older.
- Fees of 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).

*This information is general in nature and should not be used as the final authority. Contact us for further details and professional guidance in identifying and utilizing all tax deductions for which you qualify.*