



Itemized Deductions

Standard Deduction for— <ul style="list-style-type: none">• Single or Married filing separately, \$14,600• Married filing jointly or Qualifying surviving spouse, \$29,200• Head of household, \$21,900• If you checked any box under Standard Deduction, see instructions.	4a IRA distributions	4a	b Taxable amount	4b
	5a Pensions and annuities	5a	b Taxable amount	5b
	6a Social security benefits	6a	b Taxable amount	6b
	c If you elect to use the lump-sum election method, check here (see instructions)			
	7 Capital gain or (loss). Attach Schedule D if required. If not required, check here			7
	8 Additional income from Schedule 1, line 10			8
	9 Add lines 12, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income			9
	10 Adjustments to income from Schedule 1, line 26			10
	11 Subtract line 10 from line 9. This is your adjusted gross income			11
	12 Standard deduction or itemized deductions (from Schedule A)			12
	13 Qualified business income deduction from Form 8995 or Form 8995-A			13
	14 Add lines 12 and 13			14

SCHEDULE A (Form 1040)		Itemized Deductions Attach to Form 1040 or 1040-SR.		OMB No. 1545-0074	
Department of the Treasury Internal Revenue Service		Go to www.irs.gov/ScheduleA for instructions and the latest information.			
Name(s) shown on Form 1040 or 1040-SR				Your social security number	
Caution: Do not include expenses reimbursed or paid by others.					
Medical and Dental Expenses	1 Medical and dental expenses (see instructions)	1			
	2 Enter amount from Form 1040 or 1040-SR, line 11	2			
	3 Multiply line 2 by 7.5% (0.075)	3			
	4 Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-			4	
Taxes You Paid	5 State and local taxes.				
	a State and local income taxes or general sales taxes. You may include				



About Itemized Deductions

- Additional resources listed in L< “References” tab
- Review all tips and cautions in the lesson
- Read all examples and sample interviews
- We will review answers to each exercise



Objectives – Itemized Deductions

- Determine if a taxpayer should itemize deductions
- Determine the type of expenses that qualify as itemized deductions
- Accurately report itemized deductions on Schedule A
- Explain the recordkeeping requirements for claiming charitable contributions
- Time Required: 20 minutes

Topics



- Who Should Itemize?
- Medical and Dental Expenses
- Taxes that May be Deductible
- Interest Paid
- Gifts to Charity
- Miscellaneous Deductions



Key Terms

Definitions are always available in the L< online Glossary.

- Adjusted Gross Income (AGI)
- Itemized Deductions
- Standard Deduction



Who Should Itemize?

- Taxpayers should itemize if total allowable deductions are higher than the standard deduction amount
- Taxpayers ineligible for standard deduction should itemize deductions
- Refer to Pub 4012, Tab F, Deductions:
 - Persons Not Eligible for the Standard Deduction Interview Tips for help in determining if a taxpayer qualifies for a standard deduction
 - Interview Tips – Itemized Deductions to help determine if a taxpayer should itemize
- TaxSlayer will automatically select the larger of itemized versus standard deduction

Medical and Dental Expenses

- Qualified medical and dental expenses paid by the taxpayer can be included for:
 - Taxpayer
 - Spouse
 - Dependents
- Refer to [Pub 502](#), Medical and Dental Expenses



Taxes that May be Deductible

- Certain taxes may be deductible if paid by the taxpayer during the tax year, such as:
 - State and local income taxes
 - Sales taxes
 - Real estate taxes
 - Other taxes (foreign income taxes, etc.)
- Refer to [Pub 17](#), Which Taxes Can You Deduct? table for more information

Table 22-1. Which Taxes Can You Deduct?

Type of Tax	You Can Deduct	You Cannot Deduct
Fees and Charges	Fees and charges that are expenses of your trade or business or of producing income.	Fees and charges that are not expenses of your trade or business or of producing income, such as fees for driver's licenses, car inspections, parking, or charges for water bills (see Taxes and Fees You Cannot Deduct). Fines and penalties.
Income Taxes	State and local income taxes. Foreign income taxes. Employee contributions to state funds listed under Contributions to state benefit funds .	Federal income taxes. Employee contributions to private or voluntary disability plans.

Interest Paid

- Certain types of interest are deductible, such as:
 - Mortgage interest
 - Points paid as a form of interest
 - Investment interest (out of scope)
- Refer to the flowcharts in [Pub 17](#), Is My Home Mortgage Interest Fully Deductible? and Are My Points Fully Deductible? for more information

Figure 24-B. Are My Points Fully Deductible This Year?



Gifts to Charity

- Taxpayers may deduct charitable contributions (donations or gifts) to qualified organizations
- [Exempt Organizations Select Check](#) is an online tool for searching for organizations that are eligible to receive tax-deductible charitable contributions
- Taxpayers are required to keep receipts and records of all their contributions
- Refer to [Pub 17](#), Contributions , and Pub 4012, Tab F, Deductions for more information



Miscellaneous Deductions

- Miscellaneous itemized deductions include gambling losses and work-related expenses for disabled individuals.
- All itemized deductions subject to the 2% of AGI limitation are not allowed through the end of 2025. This includes employee business expenses.
- Refer to [Pub 17](#), Miscellaneous Deductions , and Pub 4012, Tab F, Deductions for more information

\$14,600	7	Capital gain or (loss). Attach Schedule D if required. If not required, check here	<input type="checkbox"/>
• Married filing jointly or Qualifying surviving spouse, \$29,200	8	Additional income from Schedule 1, line 10	
• Head of household, \$21,900	9	Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income	
• If you checked any box under Standard Deduction, see instructions.	10	Adjustments to income from Schedule 1, line 26	
	11	Subtract line 10 from line 9. This is your adjusted gross income	
	12	Standard deduction or itemized deductions (from Schedule A)	
	13	Qualified business income deduction from Form 8995 or Form 8995-A	
	14	Add lines 12 and 13	
	15	Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income	



Out of Scope for this Lesson:

- Casualty and theft losses
- Investment interest
- Form 1098-C, Contributions of Motor Vehicles, Boats and Airplanes
- Taxpayers affected by limits on charitable deductions
- Taxpayers who file Form 8283 to report noncash contributions of more than \$500 (in scope for Military certifications)
- Taxpayers donating property that was previously depreciated
- Taxpayers donating capital gain property
- Repayment of income of \$3,000 or more
- Loss or termination of an annuity by a deceased annuitant



Summary

This lesson explained:

- Unreimbursed medical and dental expenses that exceed the applicable percentage of the taxpayer's AGI are deductible; they are reported on lines 1 through 4 of Schedule A.
- Deductible interest is reported on Schedule A
- Qualified gifts to charity are reported on Schedule A
- Only gambling losses to the extent of gambling winnings and certain other items are allowed as miscellaneous deductions