

Itemized Deductions

Standard Deduction for—

- Single or Married filing separately, \$12,950
- Married filing jointly or Qualifying widow(er), \$25,900
- Head of household, \$19,400
- If you checked any box under *Standard Deduction*, see instructions.

5a	Pensions and annuities	5a	
6a	Social security benefits	6a	
c	If you elect to use the lump-sum election method, check here (see instructions) <input type="checkbox"/>		
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	7	
8	Other income from Schedule 1, line 10		
9	Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your adjusted gross income		
10	Adjustments to income from Schedule 1, line 10		
11	Subtract line 10 from line 9. This is your adjusted gross income		
12	Standard deduction or itemized deduction		
13	Qualified business income deduction from Part III of Schedule 1		
14	Add lines 12 and 13		
15	Subtract line 14 from line 11. If zero or less, enter -0-		

b	Taxable amount	5b	
b	Taxable amount	6b	

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see Section 6011.

SCHEDULE A (Form 1040 or 1040-SR)		Itemized Deductions	
Department of the Treasury Internal Revenue Service (99)		<p>► Go to www.irs.gov/ScheduleA for instructions and the latest information.</p> <p>► Attach to Form 1040 or 1040-SR.</p> <p>Caution: If you are claiming a net qualified disaster loss on Form 4684, see the instructions.</p>	
Name(s) shown on Form 1040 or 1040-SR			
Medical and Dental Expenses	<p>Caution: Do not include expenses reimbursed or paid by others.</p> <p>1 Medical and dental expenses (see instructions)</p>	1	
	2 Enter amount from Form 1040 or 1040-SR, line 8b	2	
	3 Multiply line 2 by 10% (0.10)	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 either income taxes or general sales taxes on line 5a, but not both. If you elect to include general sales taxes instead of income taxes, check this box <input type="checkbox"/>	5a	
	b State and local real estate taxes (see instructions)	5b	
	c State and local personal property taxes	5c	
	d Add lines 5a through 5c	5d	
	e Enter the smaller of line 5d or \$10,000 (\$5,000 if married filing separately)	5e	
	6 Other taxes. List type and amount ►	6	
	7 Add lines 5e and 6	7	

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

21.

Medical and Dental Expenses

What's New

Standard mileage rate. The standard mileage rate allowed for operating expenses for a car when you use it for medical reasons is 23 cents per mile. See [Transportation](#) under *What Medical Expenses Are Includible*.

Health coverage tax credit. The health coverage tax credit (HCTC) which expired at the end of 2013 has been reinstated and is retroactive to January 1, 2014.

Introduction

This chapter will help you determine the following.

- What medical expenses are.
- What expenses you can include this year.
- How much of the expenses you can deduct.
- Whose medical expenses you can include.
- What medical expenses are includible.
- How to treat reimbursements.
- How to report the deduction on your tax return.
- How to report impairment-related work expenses.
- How to report health insurance costs if you are self-employed.

Useful Items

You may want to see:

Publication

- 502 Medical and Dental Expenses
- 969 Health Savings Accounts and Other Tax-Favored Health Plans

Form (and Instructions)

- 1040 U.S. Individual Tax Form

part or function of the body. These expenses include payments for legal medical services rendered by physicians, surgeons, dentists, and other medical practitioners. They include the costs of equipment, supplies, and diagnostic devices needed for these purposes.

Medical care expenses must be primarily to alleviate or prevent a physical or mental defect or illness. They don't include expenses that are merely beneficial to general health, such as vitamins or a vacation.

Medical expenses include the premiums you pay for insurance that covers the expenses of medical care, and the amounts you pay for transportation to get medical care. Medical expenses also include amounts paid for qualified long-term care services and limited amounts paid for any qualified long-term care insurance contract.

What Expenses Can You Include This Year?

You can include only the medical and dental expenses you paid this year, regardless of when the services were provided. If you pay medical expenses by check, the day you mail or deliver the check generally is the date of payment. If you use a "pay-by-phone" or "online" account to pay your medical expenses, the date reported on the statement of the financial institution showing when payment was made is the date of payment. If you use a credit card, include medical expenses you charge to your credit card in the year the charge is made, not when you actually pay the amount charged.

Separate returns. If you and your spouse live in a noncommunity property state and file separate returns, each of you can include only the medical expenses each actually paid. Any medical expenses paid out of a joint checking account in which you and your spouse have the same interest are considered to have been paid equally by each of you, unless you can show otherwise.

Community property states. If you and your spouse live in a community property state and file separate returns, or are registered domestic partners in Nevada, Washington, or California, any medical expenses paid out of community funds are divided equally. Each of you should include half the expenses. If medical expenses are paid out of the separate funds of one individual, only the individual who paid the medical expenses can include them. If you live in a community property state, and aren't filing a joint return, see Pub. 555, *Community Property*.

Example. You are unmarried and under age 65 and your AGI is \$40,000, 10% of which is \$4,000. You paid medical expenses of \$2,500. You can't deduct any of your medical expenses because they aren't more than 10% of your AGI.

Whose Medical Expenses Can You Include?

You can generally include medical expenses you pay for yourself, as well as those you pay for someone who was your spouse or your dependent either when the services were provided or when you paid for them. There are different rules for decedents and for individuals who are the subject of multiple support agreements. See [Support claimed under a multiple support agreement](#), later.

Spouse

You can include medical expenses you paid for your spouse. To include these expenses, you must have been married either at the time your spouse received the medical services or at the time you paid the medical expenses.

Example 1. Mary received medical treatment before she married Bill. Bill paid for the treatment after they married. Bill can include these expenses in figuring his medical expense deduction even if Bill and Mary file separate returns.

If Mary had paid the expenses, Bill couldn't include Mary's expenses in his separate return. Mary would include the amounts she paid during the year in her separate return. If they filed a joint return, the medical expenses both paid during the year would be used to figure their medical expense deduction.

Example 2. This year, John paid medical expenses for his wife Louise, who died last year. John married Belle this year and they file a joint return. Because John was married to Louise when she received the medical services, he can include those expenses in figuring his medical expense deduction for this year.

Dependent

You can include medical expenses you paid for your dependent. For you to include these expenses, the person must have been your dependent either at the time the medical services were provided or at the time you paid the ex-

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

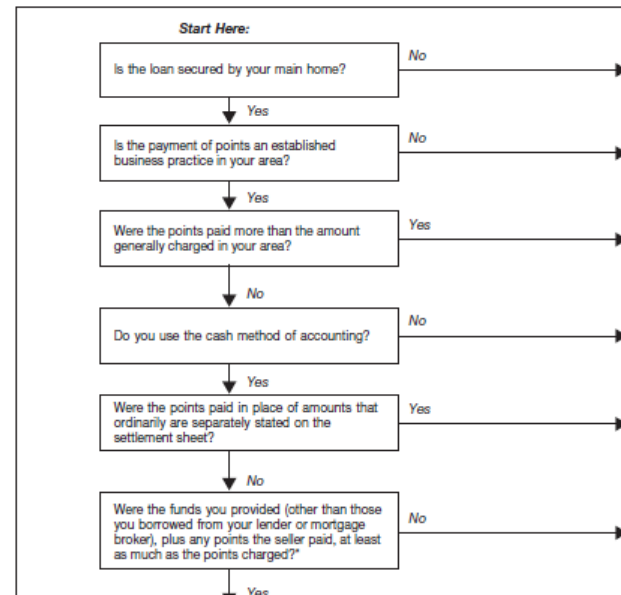
Table 22-1. Which Taxes Can You Deduct?

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 936](#) *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 526](#), 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

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	6a	Social security benefits	6a		b	Taxable amount	6b		
	c	If you elect to use the lump-sum election method, check here (see instructions) <input type="checkbox"/>							
	7	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>							7
	8	Other income from Schedule 1, line 10							8
	9	Add lines 1z, 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
	15	Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income							15

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 11320B

Form **1040** (2022)

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