

IRA Deduction



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IRA Deduction

CANCEL

For 2021, the maximum IRA deduction is \$6,000 (\$7,000 if age 50 or older).

Enter amount of IRA Contribution made by Taxpayer
(Generally this is from a Traditional IRA):
(This deduction may be limited. To see the deductible amount, go to the "Summary/Print" tab located on the left menu after continuing through this page.)
If you entered over \$6,000 (\$7,000 if age 50 or older), visit Form 5329, Part III to report any excess contribution amount for the current year.

\$|

Enter amount of IRA Contribution made by Spouse
(Generally this is from a Traditional IRA):
(This deduction may be limited. To see the deductible amount, go to the "Summary/Print" tab located on the left menu after continuing through this page.)
If you entered over \$6,000 (\$7,000 if age 50 or older), visit Form 5329, Part III to report any excess contribution amount for the current year.

\$

Check here if contributions were made to a non-working spouse's IRA.

If checked above, select the non-working spouse
Taxpayer ▼

Taxpayer Retirement Plan

Taxpayer has a retirement plan.
 Taxpayer DOES NOT have a retirement plan

Spouse Retirement Plan

Spouse has a retirement plan.
 Spouse DOES NOT have a retirement plan



← If the total of traditional and Roth IRA contributions exceed the lesser of total compensation or the allowable limit, the taxpayer must withdraw the excess plus earnings before the filing deadline. If not, a penalty will apply and the return will be Out of Scope.

TIP: If a taxpayer receives difficulty of care payments, then those amounts may increase the amount of nondeductible IRA contributions he/she can make but not above the \$6,000 IRA deductible amount (\$7,000 if you are 50 or older).

Note: Starting in 2020, the long-standing 70½ age limit for making contributions to traditional IRAs is eliminated. Contributions for the current tax year can be made until the filing deadline, generally April 15 of the year following the tax year. Your filing status has no effect on the amount of allowable contributions to your traditional IRA. However, if during the year either you or your spouse was covered by a retirement plan at work, your deduction may be reduced or eliminated, depending on your filing status and income. See Publication 590-A, Contributions to Individual Retirement Arrangements, for details.

Note: Compensation for purposes of an IRA contribution includes wages, salaries, commissions, net profit from self-employment, taxable alimony and separate maintenance, certain taxable non-tuition fellowship and stipend payments and nontaxable combat pay.

Note: Contributions to a Roth IRA can be made after taxpayer reaches 70½, but no deduction can be taken.



TaxSlayer Hint: If the taxpayer made a Traditional IRA contribution, select Adjustments from the Deductions menu, then select IRA Deduction. Don't enter a Roth IRA contribution on this screen. Enter it in the Credits section. If eligible, the software will calculate a Retirement Savings Contributions Credit. Be sure to enter any applicable retirement plan distributions. See Tab G, Nonrefundable Credits for more information on this credit.