ThompsonDocProinc

List of legitimate Deductions and Expenses.

1. Investment Loss Deductions

This includes losses from mutual funds, stocks, and other investments. If you get electronic statements from your online brokers, you may actually need to go into your account online and print off your 1099-B tax forms.

2. Charitable Donation Deductions

If you have record of a gift that you gave to a 501(c)(3), hold onto them. Also, you may be able to deduct mileage and other expenses from volunteering your time and efforts for a non-profit. Here's complete documentation on IRS deductible charitable donations and a guide on donation receipts.

3. Real Estate Expense Deductions

If you own a home, you'll need a copy of your tax bill or a statement from your escrow company on how much in property taxes you paid over the year. Those with mortgages will need a 1098 from their mortgage provider. Those lucky enough to claim the first-time homebuyer credit will need to attach IRS Form 5405. Also, don't forget home energy improvement credits.

4. Education Expense Deductions

Education deductions include interest paid on student loans (IRS Form 1098-E), college expenses including tuition, books, education related materials, and travel.

5. Family Expense Deductions

Have a family? You probably need some deductions these days. Deductible expenses include child and dependent care expenses, adoption expenses, child tax credits, and earned income credits.

6. Personal Property & Vehicle Deductions

In this category you can lump in any vehicle registration fees, personal property taxes paid, and credits from electric or other IRS qualified hybrid vehicles.

List of legitimate Deductions and Expenses *Cont'd*

7. Medical & Dental Expense Deductions

You can deduct medical and dental expense in your taxes if they exceed 7.5% of your gross AGI. These expenses can include medical bills, prescriptions costs, medical equipment costs, insurance premiums, and miles driven for medical purpose. Payments to HSA's are also tax deductible if you itemize, regardless if you hit the 7.5% on other medical expenses.

8. Retirement & Investment Expense Deductions

Getting money back for investing is great! Traditional & SEP IRA contributions are tax deductible. Your 401(k) and 403(b) contributions should already be factored in through payroll and your W2. Also, if you're under certain income thresholds, you may be able to claim the Retirement Savings Contribution Credit.

9. Employment Expense Deductions

Eligible employment expenses includes anything work-related that comes out of your pocket, basically – gas mileage, food, travel, clothing, software, hardware, etc. Self-employment expenses get a little more complex, so I won't cover it in this post, but stay tuned for more down the road in this area. Also included is any expenses related to applying and interviewing for a job. Check out IRS Publication 529 for more.