

**Businesses** are allowed to deduct all ordinary and necessary expenses in the operation of the business. Such expenses are taken on Schedule C for proprietorships, Schedule F for Farms and schedule E for Rental properties.

Certain **personal expenses** are allowed to be deducted on Schedule A of the 1040 tax return. Since most filers are allowed a standard deduction, it only helps to lower your tax if these Itemized deductions are more than those allowed by filing status:

Married filing jointly..... \$25,100  
 Single or Married filing separately ..... \$ 12,550  
 Head of Household with qualifying child ..... \$ 18,800

Often times the deductions for **owning a home** puts a taxpayer over the standard deduction. If you purchase or refinance a home please bring in the Closing Summary Statement (HUD statement) so we can get all of your benefits. Sometimes a taxpayer's state tax is enough to get over the allowed standard deduction even without a house. The worksheets do not include your state taxes withheld, but we will pick it up from your W-2s, 1099-Rs and other withholding statements. If you may have enough deductions to benefit from itemizing fill out the deduction sheet.

**Medical expenses** have to exceed 7.5% of your Adjusted gross income before they start to count. If that is possible for you please fill out the Medical Deductions sheet. Even if you don't have enough medical deductions Minnesota allows a credit for Long Term Care Insurance.

**Donations** to churches, charities and educational institutions are deductible. IRS allows up to \$300 cash contributions to be deducted without itemizing. For itemized deductions be sure to get a timely acknowledgement of all donations of \$250.00 or more. A vehical donation requires a form 1098-C from the organization you donated to. Bring the 1098-C to submit with the return. Minnesota allows a 50% deduction on Donations over \$500 even if you do not have enough other deductions. Fill out the Charitable Donations sheet.

**If we did your return last year** other deductions will be filled in automatically as we go along. If we did not do your return last year it would help to bring us a copy of it.

You can get a deduction for **casualty and theft loss** that exceed 10% of your income; but that is very rare and we will need to take some time to figure it out. If your loss was insured, you can usually only count the deductible toward the loss.

**MISCELLANEOUS EXPENSES** (required to earn income)

Union Dues _____	(in same field)	_____ business use ___ %
Uniforms _____	Travel: _____	Safe deposit box _____
Work tools _____	Lodging _____	IRA fees paid directly _____
Safety Equipment _____	Postage/shipping _____	Investment expenses _____
Professional Publications _____	Cell phone: _____ business use: ___ %	Financial Advisor _____
Supplies _____	Internet: _____ business use ___ %	Gambling losses ONLY to the extent of gambling income you reported: _____
Continuing Education _____	Telephone: _____ business use ___ %	
Job search expenses _____	Computer: _____ business use ___ %	
Professional publications _____	Other: _____ business use ___ %	

## MEDICAL

Unreimbursed medical expenses paid in the tax year (including amounts paid by credit card) for self, spouse, dependents, children of a divorced parent, married child who could be claimed as dependent except to filing a joint return with spouse, and parents of the taxpayer supported over 50% who cannot claim as dependents.

Medical expenses must exceed 7.5% of your Adjusted gross income before they start to count. If that is possible for you please fill out the Medical Deductions sheet. Deductions for non-prescription over-the-counter expenses are now allowed. Even if you don't have enough medical deductions Minnesota allows a credit for Long Term Care Insurance.

Total medical expenses will be reduced by 7.5% of Adjusted Gross Income.

Medicare insurance ..... \$ \_\_\_\_\_  
 (from Form SSA-1099 parts B, C, and D)

Prescription Drugs and Insulin ..... \$ \_\_\_\_\_

Other Health, Dental & Vision Insurance.. \$ \_\_\_\_\_

Doctors and Clinics..... \$ \_\_\_\_\_

Long Term Care Insurance for Self:

Dentists and Orthodontists ..... \$ \_\_\_\_\_

Company Name \_\_\_\_\_

Glasses, Contacts, Eye Exams ..... \$ \_\_\_\_\_

Policy# \_\_\_\_\_

Hospital and Surgery..... \$ \_\_\_\_\_

\$ \_\_\_\_\_

Nursing Home/ Long Term Care Facility... \$ \_\_\_\_\_  
 (Include only nursing care cost unless stay required for medical purposes)

Long Term Care Insurance for Spouse:

Milage for all medical purposes \_\_\_\_\_ miles

Company Name \_\_\_\_\_

Parking Fees ..... \$ \_\_\_\_\_

Policy# \_\_\_\_\_

Lodging for medical treatment (number of days: \_\_\_\_\_ )

\$ \_\_\_\_\_

Lodging cost..... \$ \_\_\_\_\_

Other Medical Expenses:

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

## CHARITABLE DONATIONS

Church, Temple, Synagogue, Mosque ..... \$ _____	Other Educational and Charitable Organizations
..... \$ _____	_____ \$ _____
Payroll deductions from work ..... \$ _____	_____ \$ _____
Out of Pocket expenses doing charity work ..... \$ _____	_____ \$ _____
_____ \$ _____	_____ \$ _____
Milage used for personal vehicle in charity work _____ miles	Non-cash Donations: If total is under \$500 ..... Total \$ _____

**For non-cash donations over \$500** total additional information is needed:  
If donated car, boat or vehicle bring the 1098-C from the organization.

Name and Address of Organization: \_\_\_\_\_

Description of property: \_\_\_\_\_

Date of donation \_\_\_/\_\_\_/\_\_\_ date acquired \_\_\_/\_\_\_/\_\_\_ How acquired? \_\_\_\_\_

Value on donation date \_\_\_\_\_ Cost (or basis) when acquired \_\_\_\_\_

Name and Address of Organization: \_\_\_\_\_

Description of property: \_\_\_\_\_

Date of donation \_\_\_/\_\_\_/\_\_\_ date acquired \_\_\_/\_\_\_/\_\_\_ How acquired? \_\_\_\_\_

Value on donation date \_\_\_\_\_ Cost (or basis) when acquired \_\_\_\_\_

Name and Address of Organization: \_\_\_\_\_

Description of property: \_\_\_\_\_

Date of donation \_\_\_/\_\_\_/\_\_\_ date acquired \_\_\_/\_\_\_/\_\_\_ How acquired? \_\_\_\_\_

Value on donation date \_\_\_\_\_ Cost (or basis) when acquired \_\_\_\_\_

**DEDUCTIBLE INTEREST EXPENSE** (bring all forms 1098)

Mortgage Interest on Primary Home \$ \_\_\_\_\_

Mortgage interest on Second Home: \$ \_\_\_\_\_

Mortgage insurance..... \$ \_\_\_\_\_  
(not home casualty insurance)

If you pay interest on a contract for deed (or seller financed mortgage) we also need the

Name \_\_\_\_\_

Address \_\_\_\_\_

and the Tax ID# \_\_\_\_\_  
of the person or business you make payments to.

Investment Interest:

(margin account, land or securities interest)

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

**DEDUCTIBLE TAXES**

Primary Home Real Estate Taxes \$ \_\_\_\_\_

Secondary Home Real Estate Taxes \$ \_\_\_\_\_

Other Real estate taxes \$ \_\_\_\_\_

Sales tax paid on motor vehicals, boat, aiplaine, home or building materials for new home or substantial remodeling.

\_\_\_\_\_ \$ \_\_\_\_\_

Auto license Tabs:

\$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

Any other personal property taxes \$ \_\_\_\_\_

Taxes paid for any state or

local income taxes for prior years: \$ \_\_\_\_\_

Do not include interest or penaties or last year's balance due.

(If we prepared your return last year we already have this.)