



# Most Overlooked Tax Deductions

Exclusive Tips for **MileIQ** Subscribers



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# Most Overlooked Tax Deductions

No one looks forward to paying taxes, but unintentionally overpaying for taxes is just painful. To help you avoid paying more income tax than you should, Liberty Tax Service® is giving you a list of the most overlooked IRS tax deductions that individuals may qualify for.

But please keep in mind that individual circumstances always come into play when filing your federal tax return. For some of these deductions, there is a threshold, and for some you will need to itemize. [Find an office near you](#) for assistance in reducing your tax liability as much as possible.

## General Deductions

- Financial planning fees** such as a consultant to manage your income, IRA trustee fees, and a lawyer to prepare a trust
- Business fees** and charges that are expenses of your trade or business or of producing income
- Certificate of Deposit (CD)** withdrawal penalties if you withdrew money out of a CD early and were charged a penalty
- Home mortgage interest**
- Home equity loan interest**
- Home mortgage points** paid to lower an interest rate on a home loan
- Qualified mortgage insurance** if the loan was originated after 2006
- Job seeking expenses**, including employment agency fees, transportation, phone calls, and postage
- Moving expenses** when relocating to take a new position
- Student loan interest** can be claimed by you even if it's paid by your parents
- Sales tax** paid on the purchase of a car or boat
- Babysitter** costs
- Gambling** losses
- Lawn** care and landscaping
- Unreimbursed **job expenses**
- State and local **income taxes** paid with the prior-year state tax return
- Some or all of your **state refund**, depending on state laws
- State and local **personal property taxes**
- State and local **real estate taxes**
- Taxes** that are expenses of your trade or business
- Home office expenses** if part of the home is used exclusively for business
- Tax preparation fees**
- Investment** expenses such as investment publications, safe deposit boxes, and mileage to visit your advisor
- Energy-saving** home improvements such as installing a solar heater or energy efficient windows
- Legal** expenses such as those related to doing or keeping your job and fighting a non-compete clause
- Job-related **moving** expenses, even for your first job
- Travel** costs for Reservists to drills or meetings
- Foreign** tax paid on mutual fund investments
- Out-of-pocket **donations** made to a school, including monetary gifts or physical gifts like books donated to the school library
- Contributions to an **IRA** made up until April 15 of the following year
- Charitable** contributions such as cash, check and credit card donations, clothing, furniture, cars, and boats
- Charitable** mileage driven for volunteer work and for charitable organizations, along with parking fees, any tolls, and public transportation
- Casualty and theft** losses such as car accidents, fire, and disasters, minus insurance reimbursements

## Medical expenses

Total **medical expenses** must be more than 10% of your adjusted gross income on Schedule A.

- Artificial limbs**
- Bandages**
- Birth control pills** and contraceptives prescribed by your doctor
- Body scans**
- Braille books**
- Breast pumps** and supplies
- Capital expenses for **equipment or improvements** to your home needed for medical care
- Child birth** classes
- Copayments** for medical office visits
- Crutches**
- Diagnostic devices**
- Expenses of an **organ donor**
- Eyeglasses and contact lenses**
- Eye surgery** to promote the correct function of the eye
- False teeth**
- Fertility** enhancement, certain procedures
- Guide dogs** or other animals aiding the blind, deaf, and disabled
- Health insurance premiums**
- Hearing** devices and hearing aids
- Hospital service fees** (lab work, therapy, nursing services, surgery, etc.)
- Lead-based **paint removal**
- Legal abortion**
- Legal operation** to prevent having children such as a vasectomy or tubal ligation
- Long-term care contracts**
- Meals and lodging** provided by a hospital during medical treatment
- Meals and lodging** at a clinic during a dependent's inpatient treatment for alcohol or drug abuse
- Medical services fees** from doctors, dentists, surgeons, specialists, and other medical practitioners

- Medicare Part D** premiums
- Medicare Part B** and any Medi-gap premiums for retirees who are self-employed or contract consultants
- Medical and hospital insurance premiums**
- Nursing** services
- Oxygen** equipment and oxygen
- Part of **life-care fee** paid to retirement home designated for medical care
- Physical examination**
- Pregnancy test kit**
- Prescription medicines** (prescribed by a doctor) and insulin
- Psychiatric and psychological treatment**
- Social Security tax, Medicare tax, FUTA, and state employment tax** for worker providing medical care
- Special education** for mentally or physically disabled persons
- Stop-smoking** programs
- Transportation** for needed medical care
- Treatment** at a drug or alcohol center (includes meals and lodging provided by the center)
- Wages** for nursing services
- Weight loss**, certain expenses for obesity
- Wheelchairs**

## Tax Deductions for Business People

**Travel expenses** for trips that are entirely business related, including:

- **Transportation**
  - **Taxis, commuter buses, airports, and limousines**
  - **Baggage and shipping**
  - **Car** (travel tolls, parking, and maintenance)
  - **Lodging and meals**
  - Unreimbursed **travel expenses** such as for out-of-town conferences
  - **Computer rental**
  - **Cleaning**
  - **Telephone calls**
  - **Tips**
- Personal cell phone usage** if you use your cell phone for business and depreciation of the phone itself

- Greeting cards** to clients and prospects
- The cost of **business cards** for yourself and your employees
- Wages** you pay to employees or hired independent contractors
- Auto loan interest** on your vehicle that you use in your business
- Travel** to education workshops or seminars related to your profession
- Advertising expenses** for freelancers to promote their services
- Business uniforms** or protective clothing, along with equipment, tools, and supplies
- Tax preparation costs** to the extent they were paid to assist with your business filing
- ATM fees, credit-card fees,** and other bank charges incurred on your business accounts
- Business-related **books and subscriptions** to magazines, newspapers, and trade publications
- Home office expenses,** if you have an office in your home or store any business supplies at your home
- Business-related **meals and entertainment** expenses with your clients or associates (50% deductible)
- Mileage** anytime you leave home for a business purpose if your business is home-based
- Education** costs if you are taking classes directly related to your profession
- Driving** from work to a second job
- Post-tax **membership fees** paid to a union
- Driving** from work to night classes to get your master's degree
- Out-of-pocket **classroom expenses** (for teachers)
- Tutoring expenses** such as travel and teaching supplies (for teachers)
- All **costs of attending classes** to get your master's degree if it is a work requirement

## Weird Tax Deductions and Credits

- IRS** – has a deduction for victims of Ponzi schemes
- IRS** – has a whistle-blower award for turning in tax cheats
- IRS** – the cost of moving your pet from your old home to your new home is a deductible moving expense if the moving requirements for employment purposes are met
- IRS** – allows entertainers to deduct plastic surgery as a business expense
- Colorado** - has a new deduction for expenses against income if your income is earned from marijuana
- New York** - credit for purchase of an automated external defibrillator
- New York** - beer production credit
- South Carolina** - has a Premarital Preparation Course Credit
- South Carolina** - Drip/Trickle Irrigation System Credit
- Oregon** - has credit for bone marrow donations
- Oregon** - has credit for organ donations
- Oregon** - has credit for bulletproof vests
- Arizona** - sole proprietorship loss of an Arizona Nonprofit Medical Marijuana Dispensary included in federal Adjusted Gross Income
- Oklahoma** – credit for poultry litter purchases (\$10 a ton)
- Indiana** – solar-powered roof vent or fan deduction
- Indiana** – Riverboat Building Credit
- Indiana** – Prison Investment Credit
- Maryland** - Oyster Shell Recycling Tax Credit
- Hawaii** - has an “Exceptional Tree” tax allowance of up to \$3,000 for any tree designated as rare, big, or old for expenses such as pruning and fertilization
- West Virginia** – has an EZ PASS deduction for tolls paid throughout the year

To see if you may qualify for these tax deductions or credits, use our [office locator](#) to find your neighborhood office.