FOURTEEN *overlooked* TAX DEDUCTIONS

THAT YOU ARE MORE SUSCEPTIBLE TO MISS

RETIREMENT
PLANNING SERVICES

For most of us who itemize our deductions, we never miss the big ticket charitable contributions because we receive contribution receipts in the mail and are consistently being asked for ongoing contributions. Few people forget about the December check that they wrote when they file taxes the next spring. But here are fourteen deductions that are you are more susceptible to miss…

1. STATE SALES TAXES: Many think that this deduction has phased out, yet each year, Congress resurrects this deduction. If you live in Tennessee, you may have the opportunity to deduct the sales tax that you paid during the course of the year. If you live in states where there is a state income tax, you can deduct either your state income tax or the state sales tax that you paid. If you bought a car, boat, or plane this year, you can include your sales tax on the vehicle to your total.

2. HSA CONTRIBUTIONS: Sometimes called an "above the line" deduction, this deduction is not subject to the phase-out of itemized deductions for higher-income earners. Couples can contribute (and subsequently deduct) up to $6,550 in 2014 (singles $3,300), and there is a catch-up contribution of $1,000 available for those 55 and older.

3. IRA CHARITABLE CONTRIBUTIONS: The renewed tax deduction allows those who made contributions directly from an IRA to a charity (up to $100,000) to pay no tax on that distribution.

4. CHILD-CARE CREDIT: As a credit, this tax benefit is actually much better than a deduction on a dollar for dollar basis. A tax credit reduces your taxes dollar for dollar. This may amount to a line-item reduction of your tax bill by 20-35% of the amount that you pay for child care while you work. The one caveat is that if your employer provides child-care, there is more complexity in how and if you can take advantage of this benefit that you will want to understand.

5. COSTS OF CARING FOR A PARENT: If you claim one of your parents as a dependent, you may be able to deduct the costs of caring for him or her, including in-home care and nursing home care.

6. NON-CASH CHARITABLE GIFTS: Taking those clothes to KARM Thrift Store or Goodwill for donation can provide a take benefit. Make sure to account for your gifts and have a receipt for what was given. The Salvation Army has a helpful valuation guide http://satruck.org/donation-value-guide to help you determine your gift's value.

7. CHARITABLE MILEAGE: Many of us are deeply engaged in charities and drive hundreds of miles to volunteer for charitable causes or serve on charities' boards. You can deduct 14 cents/mile in service of charitable organizations. This is an easy deduction that many people overlook.

8. HIGHER EDUCATION TUITION: For you and your dependents, you can deduct up to $4,000 for tuition and mandatory enrollment fees. This deduction phases out for higher income earners. Those with incomes of up to $130,000 (joint) or $65,000 (single) can claim a deduction for up to $4,000. For those with incomes over $130,000 but under $160,000 (joint) and over $65,000 but under $80,000 (single), a deduction up to $2,000 can be taken.

9. STUDENT INTEREST PAID BY PARENTS: For you and your dependents, you can deduct the interest that you pay on student loans up to $2,500. Again, there is a phase-out of this deduction for higher income earners.

10. MEDICARE PREMIUMS FOR THE SELF-EMPLOYED: If you are self-employed and pay for Medicare from your own pocket, the premiums that you pay are deductible.

11. ORIGINAL MORTGAGE & REFINANCING POINTS: These are tax deductible expenses. With refinancing points, you typically must amortize those deductions over the life of the mortgage.

12. MOVING EXPENSES: If you moved, were not reimbursed (or not fully) by your company, and the move was more than 50 miles, you may be able to deduct the net cost of moving.

13. UNREIMBURSED EMPLOYEE EXPENSES (FORM 2106): Employers today are reimbursing less and less employee expenses. By tracking your unreimbursed employee expenses for ordinary and necessary items that help you carry on your normal trade, you may be able to significantly reduce your tax bill.

14. CASUALTY AND THEFT LOSSES: The value of an item lost through a catastrophic event or theft is often deductible if you do not have insurance to reimburse you for the loss.