

2022 ITEMIZED DEDUCTIONS

Medical Expenses

Your deductible medical expenses include unreimbursed medical expenses that are deductible on Schedule A. You can include medical expenses and copayments for you, your spouse, and your dependents. You can only deduct the part of your expenses that exceed 7.5% of your adjusted gross income. Enter the full amount of your medical expenses, and we'll calculate if the medical expenses are more than 7.5% of your adjusted gross income.

The definition of what constitutes a medical expense is very broad and includes expenses to diagnose, cure, mitigate, treat, or prevent disease. However, cosmetic surgery is not deductible unless it is related to disfigurement from a congenital abnormality, accidental injury, or a disfiguring disease. Other examples of nondeductible medical expenses are nonprescription drugs, doctor prescribed travel for "rest", and expenses for the improvement of your general health such as a weight-loss program or health club fees (the weight-loss program is deductible if it is to treat a specific disease).

New for 2021: Unreimbursed amounts paid for personal protective equipment (PPE), such as masks, hand sanitizer, and sanitizing wipes, for the primary purpose of preventing the spread of Coronavirus, are qualified medical expenses.

Examples of deductible medical expenses include:

- Abortions
- Acupuncture
- Alcoholism treatment
- Ambulance costs
- Birth control pills
- Child birth classes
- Chiropractors
- Contact lenses
- Crutches
- Dentist
- Dentures
- Doctor fees
- Drug addiction treatment
- Prescription drugs
- Dyslexia reading programs and tutors
- Eye examination and glasses
- Guide dogs
- Health insurance
- Hearing aids
- Hospital bills
- Insulin
- Laboratory fees
- Long-term care insurance
- Nursing home if for medical treatment

Optometrist
Osteopath
Personal protective equipment (PPE)
Physical therapy
Psychiatrist
Psychologist
Travel to medical clinics
Vasectomy
Wheelchair

This list does not contain every medical deduction available. For more information regarding deductible medical expenses, go to the IRS website .

Taxes Paid

The following taxes are deductible:

State and Local Income Tax

If you entered state or local tax withholdings on the W-2 or 1099 screens, we'll automatically calculate this for you.

State Filing Payments

If you had a state or local tax balance due on your 2020 state or local tax return(s) (in other words, if you did NOT get a state refund), you can deduct the tax that you paid in 2021 when you filed your state or local tax return(s).

Sales Tax

If you didn't have any state or local income tax or live in a state where there is no state income tax, you may be able to deduct sales tax that you paid.

If the amount of sales tax paid is more than your state and local income taxes combined, we will use the sales tax amount as your itemized deduction instead of your state and local income taxes.

Estimated Tax Payments

This includes any state or local taxes that you paid in 2021 that were not reported on a W-2 or 1099.

Real Estate Tax

This includes all real estate taxes that you paid for your home, vacation home, land, or other types of property. Include all real estate taxes paid through your mortgage lender (usually shown on Form 1098), as well as real estate taxes paid directly to your state or local government. Taxes paid on real estate that was used for a business, including rental properties, shouldn't be entered here.

Personal Property Tax

This includes taxes that are based on the value of your personal property such as autos, R.V.s, and boats.

Other Deductible Tax

This includes any deductible tax that you paid that is not part of the other categories.

Mortgage Interest (Form 1098)

Deductible mortgage interest is shown on Form 1098 that you receive from your lender.

Interest is deductible on a loan(s), up to certain limits, if used to acquire, construct or improve your principal residence and/or a second residence. The tax deduction is taken on Schedule A as an itemized deduction. Your primary home or secondary home can be a house, condo, RV, boat, or camper as long as it has cooking, toilet, and sleeping facilities.

To deduct mortgage interest or home equity interest, the loan must be secured by your main home or second home.

If you own a rental home or investment home, you can deduct the mortgage interest for that home as part of the rental home expenses or as investment interest even if it is a third home or more.

Mortgage interest on a home construction loan is deductible from the time construction begins. If construction of your home takes longer than 24 months, then any mortgage interest after 24 months is no longer deductible until your home is completed.

If you are an unmarried co-owner of a residence, the limit applies to each taxpayer separately.

Other Mortgage Information

This includes:

Other Mortgage Interest Paid

This is where you can report any mortgage interest that you paid in 2021 that was reported on another person's Form 1098 or interest you paid on a seller-financed loan. This also includes mortgage interest you paid in 2021 but didn't receive a Form 1098 for.

Mortgage Points

This is where you can report any points that you paid in 2021 that were not reported to you on a Form 1098

Amortizing Mortgage Points

This happens when you paid points or origination fees in a prior year that you could not fully deduct in that year. If you paid points on a loan used for a second home, a home equity loan or refinancing, they are not fully deductible in the year you paid them, so you would probably be amortizing them.

Mortgage Insurance Premiums

This is where you can report any mortgage insurance premiums that you paid in 2021 that were not reported on a Form 1098.

Please note, the mortgage insurance premiums deduction is only available for loans received after December 31, 2006.

Seller-Financed Loan

This happens when the person who sold you the home is the one financing the loan instead of a bank or financial institution.

Donations to Charities

Deductible charitable contributions include:

- Contributions made to a qualified organization (church, non-profit organization, etc.)
- Unreimbursed out-of-pocket expenses (office supplies, uniforms, long distance phone calls, etc.) for volunteer work for a qualified organization
- Transportation expenses for work on behalf of a charitable organization
- Contributions made in exchange for a state or local tax deduction (there are some exceptions)
- Nondeductible charitable contributions:
 - Contributions made to unqualified organizations
 - Contributions made directly to needy individuals
 - Value of services performed for a charitable organization
 - Contributions made in exchange for a state or local tax credit (there are some exceptions)

The amount you're able to deduct is limited based on your adjusted gross income. Enter the full amount of your charitable contributions, and we'll calculate the maximum amount you're able to deduct.

Investment Interest

Deductible investment interest is interest paid on margin accounts or interest paid on loans used to buy or carry investments. For example, if you get a margin loan through your brokerage account and use it to buy more stocks, then the interest you pay is investment interest. Another example would be if you bought land to hold as an investment, then the interest expense you pay on the loan to obtain the land is investment interest.

Investment interest is deductible up to the amount of your investment income. Investment income includes dividends, interest income, and royalties. Disallowed investment interest is carried forward and can be used on future year tax returns.

Other Itemized Deductions

Other itemized deductions include:

Gambling Losses

You can deduct gambling losses up to the value of any gambling winnings that you had.

Miscellaneous Deductions

- Federal estate tax on income in respect of a decedent
- A deduction for amortizable bond premium
- An ordinary loss attributable to a contingent payment debt instrument or an inflation-indexed debt instrument
- Deduction for repayment of amounts under a claim of right if over \$3,000
- Certain unrecovered investment in a pension

Disaster Casualty and Thefts

Casualty loss to nonbusiness property is only deductible if due to a federally declared disaster. A casualty loss from a federally declared disaster can be taken as an itemized deduction if the loss exceeds \$100 and the total amount of all losses exceeds 10% of your adjusted gross income. Nonbusiness property casualty and theft losses not from a federal disaster can only be used to offset casualty and theft gains.

Casualty and theft losses are losses from fire, theft, storm, hurricane, flood, sonic boom, earthslide, earthquake, or other sudden, unexpected, and unusual causes. Damage to your automobile resulting from a collision is also a casualty loss. Termite damage is not considered a casualty loss because it fails the "suddenness" test.

If the casualty loss relates to your business, you can deduct the full amount on Schedule C as a business expense.

Any money you receive from insurance, government, or other parties to compensate for the damage reduces the amount of loss you can claim on your tax return.

You may be able to deduct more if the loss is due to a qualified disaster.

If you take the Standard Deduction instead of itemizing deductions, you can now deduct up to \$300 of your charitable contributions to qualified organizations even though you are not itemizing.