

Itemized Deductions vs. Standard Deduction

- Determine your filing status
 - Determine your federal AND state standard deduction for your filing status NOTE this is the amount of money you can use to lower your taxable income without receipts, etc.
 - Determine your itemized deductions. See explanation below.
 - If your FEDERAL standard deduction is much higher than your itemized deduction use the standard deduction—EXIT otherwise continue to step 5
 - If your FEDERAL standard deduction is a little higher than your itemized deduction use the evaluate using both the itemized deduction method and the standard deduction method for both federal and state and pick the deduction that give the LARGEST refund over both the Federal and State.
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Itemized Deductions Explained

There are available deductions that are added together to obtain your total.

- Medical expenses (after tax) minus (10% of your AGI)
- Taxes (real estate and state withholdings). Note the State does not allow us to deduct state withholdings....
- Mortgage Interest AND PMI
- Charity (both cash and non-cash) AND volunteer mileage
- Casualty losses minus (10% of your AGI)
- Job expenses minus (2% of your AGI)
- Total these together to determine your total Itemized Deductions—proceed to step 4 above