**Deductible Taxes**

There are four types of deductible nonbusiness taxes:

* State, local, and foreign income taxes
* State and local general sales taxes
* State, local, and foreign real estate taxes, and
* State and local personal property taxes

To be deductible, the tax must be imposed on you and you must have paid it during your tax year.

**Home Mortgage Points**

The term points is used to describe certain charges paid to obtain a home mortgage. Points are prepaid interest and may be deductible as home mortgage interest

**Interest Expense**

Interest is an amount you pay for the use of borrowed money. Some interest can be claimed as a deduction or as a credit.

Types of interest **deductible** as itemized deductions:

* Investment interest (limited to your net investment income) and
* Qualified mortgage interest including points (if you're the buyer)

Types of interest **not deductible** include personal interest, such as:

* Interest paid on a loan to purchase a car for personal use.
* Credit card and installment interest incurred for personal expenses.
* Points (if you're a seller), service charges, credit investigation fees, and interest relating to tax-exempt income, such as interest to purchase or carry tax-exempt securities.

**Charitable Contributions**

To be deductible, you must make charitable contributions to qualified organizations. Contributions to individuals are never deductible.

For contributions of **cash, check or other monetary gift** (regardless of amount), you must maintain a record of the contribution:

* A bank record or a written communication from the qualified organization containing the name of the organization, the amount, and the date of the contribution.
* In addition to deducting your cash contributions, you generally can deduct the fair market value of any other property you donate to qualified organizations. See [Publication 561](https://www.irs.gov/publications/p561/index.html), *Determining the Value of Donated Property*. For any contribution of $250 or more (including contributions of cash or property), you must obtain and keep in your records a contemporaneous written acknowledgment from the qualified organization indicating the amount of the cash and a description of any property contributed. The acknowledgment must say whether the organization provided any goods or services in exchange for the gift and, if so, must provide a description and a good faith estimate of the value of those goods or services. One document from the qualified organization may satisfy both the written communication requirement for monetary gifts and the contemporaneous written acknowledgment requirement for all contributions of $250 or more.

**Miscellaneous Expenses**

If you have deductible expenses that qualify as miscellaneous itemized deductions, you can deduct certain of those expenses only to the extent that they exceed 2% of your adjusted gross income.

**Unreimbursed Employee Expenses -** Certain unreimbursed employee expenses are deductible as miscellaneous itemized deductions

**Tax Preparation Fees**