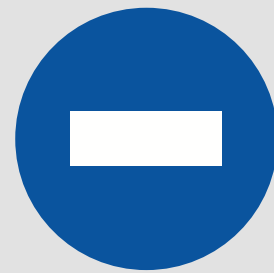


Standard vs. Itemized Deductions






ONE OR THE OTHER, NOT BOTH

Standard Deduction

- The simple deduction method
- Reduces taxable income by a specific dollar amount
- No Schedule A required

Amounts for 2016 Tax Year

	Single and Married Filing Separately	\$6,300
	Head of Household	\$9,300
	Married Filing Jointly and Qualifying Widow(er)	\$12,600

OR

Itemized Deductions

- Requires you to report amounts paid for qualified deductions
- Reduces taxable income by the sum of your qualified deductions (some items are limited)
- Is advantageous when the total is more than your standard deduction amount
- Requires you to complete Schedule A

Common Deductions

-  Home Mortgage Interest
-  Real Estate Taxes
-  Personal Property Taxes (e.g. vehicle taxes)
-  Gifts to Charity (cash and non-cash)
-  Medical and Dental Expenses

Limits

10% Limit – Medical and Dental Expenses – deduct only the amount greater than 10% of your adjusted gross income (or 7.5% if over age 65)

2% Limit – Job Expenses and Certain Miscellaneous Deductions – deduct only the amount greater than 2% of your adjusted gross income

Overall Limit – Some deductions are subject to the overall limit on itemized deductions, which is based on your adjusted gross income:

Married Filing Jointly or Qualifying Widow(er)	> \$311,300
Head of Household	> \$285,350
Single	> \$259,400
Married Filing Separately	> \$155,650

Deductions Subject to the Overall Limit

- Taxes paid
- Interest paid
- Gifts to charity
- Job expenses and certain miscellaneous deductions
- Other miscellaneous deductions (excluding gambling and casualty or theft losses)

