

Schedule A Miscellaneous Itemized Expenses

Deductions Not Subject to the 2% Limit

You can deduct the following expenses as miscellaneous itemized deductions. They are not subject to the 2% limit. Report these expenses on line 27, Schedule A, Form 1040.

- Amortized premium on taxable bonds
- Federal Estate Tax on income in respect of a decedent
- Gambling losses up to the amount of gambling winnings
- Impairment-related work expenses of persons with disabilities
- Repayments under a claim of right if more than \$3,000
- Unrecovered investment in a pension

You can deduct certain other expenses as miscellaneous itemized deductions subject to the 2% of adjusted gross income limit. These are expenses you pay:

1. To produce or collect income that must be included in your gross income,
2. To manage, conserve, or maintain property held for producing such income, or
3. To determine, contest, pay, or claim a refund of any tax.

You can deduct other expenses you pay for the purposes in (1) and (2) above only if they are reasonably and closely related to these purposes. These other expenses include:

- Appraisal fees for a casualty loss or charitable contribution
- Clerical help and office rent in caring for investments
- Depreciation on home office computers used for investments
- Excess deductions (including administrative expenses) allowed a beneficiary on termination of an estate or trust
- Fees to collect interest and dividends
- Hobby expenses, but generally not more than hobby income
- Indirect miscellaneous deductions of pass-through entities
- Investment fees and expenses
- Legal fees related to producing or collecting taxable income, doing or keeping your job, or getting tax advice

- Loss on deposits of an insolvent or bankrupt financial institution
- Repayments of income
- Repayments of social security benefits
- Safe deposit box rental
- Service charges on dividend reinvestment plans
- Tax advice and preparation fees, including fees for electronic filing
- Trustee's fees for you IRA, if separately billed and paid

Nondeductible Expenses

You cannot deduct the following expenses:

- Burial or funeral expenses, including the cost of cemetery lot
- Campaign expenses
- Capital expenses
- Check-writing fees
- Certain club dues
- Commuting expenses
- Fees and licenses, such as car license, marriage licenses, and dog tags
- Fines and penalties, such as parking tickets
- Health spa expenses
- Hobby losses
- Home repairs, insurance and rent
- Illegal bribes and kickbacks
- Investment related seminars
- Life insurance premiums
- Lobbying expenses
- Losses from the sale of your home, auto, personal car, etc.
- Lost or misplaced cash or property
- Lunches with coworkers
- Meals while working late
- Personal disability insurance premiums
- Personal legal expenses
- Personal, living or family expenses
- Political expenses
- Professional accreditation fees
- Profession reputation, expenses to improve
- Relief refund contributions
- Residential telephone line
- Stockholders' meeting, expenses of attending
- Tax exempt income expenses
- Travel expenses for another individual
- Voluntary unemployment benefit fund contributions
- Wristwatches