



2010 Instructions for Schedule A (Form 1040)

Itemized Deductions

Use Schedule A (Form 1040) to figure your itemized deductions. In most cases, your federal income tax will be less if you take the larger of your itemized deductions or your standard deduction.

If you itemize, you can deduct a part of your medical and dental expenses and unreimbursed employee business expenses, and amounts you paid for certain taxes, interest, contributions, and miscellaneous expenses. You can also deduct certain casualty and theft losses.

If you and your spouse paid expenses jointly and are filing separate returns for 2010, see Pub. 504 to figure the portion of joint expenses that you can claim as itemized deductions.



Do not include on Schedule A items deducted elsewhere, such as on Form 1040 or Schedule C, C-EZ, E, or F.

Section references are to the Internal Revenue Code unless otherwise noted.

What's New

Itemized deductions limitation. Your itemized deductions are no longer limited because of your adjusted gross income (AGI).

New motor vehicle taxes. You can no longer deduct certain state and local sales and excise taxes paid for a 2010 purchase of a new motor vehicle. However, if you paid these taxes in 2010 for a new motor vehicle you purchased in 2009, you may still be able to deduct these amounts. See the instructions for line 7.

Qualified charitable distributions. The provision that excludes up to \$100,000 of qualified charitable distributions from income has been extended. If you elect, a qualified charitable distribution made in January, 2011, will be treated as made in 2010. For more details, see Pub. 590.

Standard mileage rates. The 2010 rate for use of your vehicle to get medical care is 16.5 cents a mile. The 2010 rate for use of your vehicle to do volunteer work for certain charitable organizations is still 14 cents a mile.

Personal casualty and theft loss limit. Generally, each personal casualty or theft loss is limited to the excess of the loss over \$100 (\$500 in 2009). The 10%-of-AGI limit continues to apply to the net loss.

Disaster losses. The special limitation rule for an area determined by the President of the United States to warrant federal disaster assistance has expired. See *Disaster losses* on page A-9.

Corrosive drywall losses. If you paid for repairs to your personal residence or household appliances because of corrosive drywall that was installed between 2001 and 2008, you may be able to deduct on line 20 those amounts paid. See Form 4684 and its instructions for details.

Medical and Dental Expenses

You can deduct only the part of your medical and dental expenses that exceeds 7.5% of the amount on Form 1040, line 38.

Pub. 502 discusses the types of expenses you can and cannot deduct. It also explains when you can deduct capital expenses and special care expenses for disabled persons.



If you received a distribution from a health savings account or a medical savings account in 2010, see Pub. 969 to figure your deduction.

Examples of Medical and Dental Payments You Can Deduct

To the extent you were not reimbursed, you can deduct what you paid for:

- Insurance premiums for medical and dental care, including premiums for qualified long-term care contracts as defined in Pub. 502. But see *Limit on long-term care premiums you can deduct* on page A-2. Reduce the insurance premiums by any self-employed health insurance deduction you claimed on Form 1040, line 29. You cannot deduct insurance premiums paid with pretax dollars because the premiums are not included in box 1 of your Form(s)

W-2. If you are a retired public safety officer, you cannot deduct any premiums you paid to the extent they were paid for with a tax-free distribution from your retirement plan.



If, during 2010, you were an eligible trade adjustment assistance (TAA) recipient, alternative TAA (ATAA) recipient, reemployment TAA (RTAA) recipient, or Pension Benefit Guaranty Corporation (PBGC) pension recipient, you must reduce your insurance premiums by any amounts used to figure the health coverage tax credit. See the instructions for line 1 on page A-2.

- Prescription medicines or insulin.
- Acupuncturists, chiropractors, dentists, eye doctors, medical doctors, occupational therapists, osteopathic doctors, physical therapists, podiatrists, psychiatrists, psychoanalysts (medical care only), and psychologists.
- Medical examinations, X-ray and laboratory services, insulin treatment, and whirlpool baths your doctor ordered.
- Diagnostic tests, such as a full-body scan, pregnancy test, or blood sugar test kit.
- Nursing help (including your share of the employment taxes paid). If you paid someone to do both nursing and housework, you can deduct only the cost of the nursing help.
- Hospital care (including meals and lodging), clinic costs, and lab fees.
- Qualified long-term care services (see Pub. 502).
- The supplemental part of Medicare insurance (Medicare B).
- The premiums you pay for Medicare Part D insurance.

- A program to stop smoking and for prescription medicines to alleviate nicotine withdrawal.

- A weight-loss program as treatment for a specific disease (including obesity) diagnosed by a doctor.

- Medical treatment at a center for drug or alcohol addiction.

- Medical aids such as eyeglasses, contact lenses, hearing aids, braces, crutches, wheelchairs, and guide dogs, including the cost of maintaining them.

- Surgery to improve defective vision, such as laser eye surgery or radial keratotomy.

- Lodging expenses (but not meals) while away from home to receive medical care in a hospital or a medical care facility related to a hospital, provided there was no significant element of personal pleasure, recreation, or vacation in the travel. Do not deduct more than \$50 a night for each eligible person.

- Ambulance service and other travel costs to get medical care. If you used your own car, you can claim what you spent for gas and oil to go to and from the place you received the care; or you can claim 16.5 cents a mile. Add parking and tolls to the amount you claim under either method.

Deceased taxpayer. Certain medical expenses paid out of a deceased taxpayer's estate can be claimed on the deceased taxpayer's final return. See Pub. 502 for details.

Limit on long-term care premiums you can deduct. The amount you can deduct for qualified long-term care contracts (as defined in Pub. 502) depends on the age, at the end of 2010, of the person for whom the premiums were paid. See the chart below for details.

IF the person was, at the end of 2010, age . . .	THEN the most you can deduct is . . .
40 or under	\$ 330
41–50	\$ 620
51–60	\$ 1,230
61–70	\$ 3,290
71 or older	\$ 4,110

Examples of Medical and Dental Payments You Cannot Deduct

- The cost of diet food.
- Cosmetic surgery unless it was necessary to improve a deformity related to a congenital abnormality, an injury from an accident or trauma, or a disfiguring disease.
- Life insurance or income protection policies.
- The Medicare tax on your wages and tips or the Medicare tax paid as part of the

self-employment tax or household employment taxes.



If you were age 65 or older but not entitled to social security benefits, you can deduct premiums you voluntarily paid for Medicare A coverage.

- Nursing care for a healthy baby. But you may be able to take a credit for the amount you paid. See the instructions for Form 1040, line 48.

- Illegal operations or drugs.
- Imported drugs not approved by the U.S. Food and Drug Administration (FDA). This includes foreign-made versions of U.S.-approved drugs manufactured without FDA approval.

- Nonprescription medicines (including nicotine gum and certain nicotine patches).

- Travel your doctor told you to take for rest or a change.

- Funeral, burial, or cremation costs.

Line 1 Medical and Dental Expenses

Enter the total of your medical and dental expenses (see page A-1), after you reduce these expenses by any payments received from insurance or other sources. See *Reimbursements* on this page.



Do not forget to include insurance premiums you paid for medical and dental care. But if you claimed the self-employed health insurance deduction on Form 1040, line 29, reduce the premiums by the amount on line 29.



If, during 2010, you were an eligible trade adjustment assistance (TAA) recipient, alternative TAA (ATAA) recipient, reemployment TAA (RTAA) recipient, or Pension Benefit Guaranty Corporation (PBGC) pension recipient, you must complete Form 8885 before completing Schedule A, line 1. When figuring the amount of insurance premiums you can deduct on Schedule A, do not include:

- Any amounts you included on Form 8885, line 4,
- Any qualified health insurance premiums you paid to "U.S. Treasury—HCTC," or
- Any health coverage tax credit advance payments shown in box 1 of Form 1099-H.

Whose medical and dental expenses can you include? You can include medical and dental bills you paid for anyone who was one of the following either when the services were provided or when you paid for them.

- Yourself and your spouse.
- All dependents you claim on your return.
- Your child whom you do not claim as a dependent because of the rules for children of divorced or separated parents.
- Any person you could have claimed as a dependent on your return except that person received \$3,650 or more of gross income or filed a joint return.
- Any person you could have claimed as a dependent except that you, or your spouse if filing jointly, can be claimed as a dependent on someone else's 2010 return.

Example. You provided over half of your mother's support but cannot claim her as a dependent because she received wages of \$3,650 in 2010. You can include on line 1 any medical and dental expenses you paid in 2010 for your mother.

Reimbursements. If your insurance company paid the provider directly for part of your expenses, and you paid only the amount that remained, include on line 1 only the amount you paid. If you received a reimbursement in 2010 for medical or dental expenses you paid in 2010, reduce your 2010 expenses by this amount. If you received a reimbursement in 2010 for prior year medical or dental expenses, do not reduce your 2010 expenses by this amount. But if you deducted the expenses in the earlier year and the deduction reduced your tax, you must include the reimbursement in income on Form 1040, line 21. See Pub. 502 for details on how to figure the amount to include.

Cafeteria plans. Do not include on line 1 insurance premiums paid by an employer-sponsored health insurance plan (cafeteria plan) unless the premiums are included in box 1 of your Form(s) W-2. Also, do not include any other medical and dental expenses paid by the plan unless the amount paid is included in box 1 of your Form(s) W-2.

Taxes You Paid

Taxes You Cannot Deduct

- Federal income and most excise taxes.
- Social security, Medicare, federal unemployment (FUTA), and railroad retirement (RRTA) taxes.
- Customs duties.
- Federal estate and gift taxes. But see the instructions for line 28 on page A-10.
- Certain state and local taxes, including: tax on gasoline, car inspection fees, assessments for sidewalks or other improvements to your property, tax you paid for someone else, and license fees (marriage, driver's, dog, etc.).

Line 5



You can elect to deduct state and local general sales taxes instead of state and local income taxes. You cannot deduct both.

State and Local Income Taxes

If you deduct state and local income taxes, check **box a** on line 5. Include on this line the state and local income taxes listed below.

- State and local income taxes withheld from your salary during 2010. Your Form(s) W-2 will show these amounts. Forms W-2G, 1099-G, 1099-R, and 1099-MISC may also show state and local income taxes withheld.
- State and local income taxes paid in 2010 for a prior year, such as taxes paid with your 2009 state or local income tax return. Do not include penalties or interest.
- State and local estimated tax payments made during 2010, including any part of a prior year refund that you chose to have credited to your 2010 state or local income taxes.
- Mandatory contributions you made to the California, New Jersey, or New York Nonoccupational Disability Benefit Fund, Rhode Island Temporary Disability Benefit Fund, or Washington State Supplemental Workmen's Compensation Fund.

• Mandatory contributions to the Alaska, California, New Jersey, or Pennsylvania state unemployment fund.

• Mandatory contributions to state family leave programs, such as the New Jersey Family Leave Insurance (FLI) program and the California Paid Family Leave program.

Do not reduce your deduction by any:

- State or local income tax refund or credit you expect to receive for 2010, or
- Refund of, or credit for, prior year state and local income taxes you actually received in 2010. Instead, see the instructions for Form 1040, line 10.

State and Local General Sales Taxes

If you elect to deduct state and local general sales taxes, you **must** check **box b** on line 5. To figure your deduction, you can use either your actual expenses or the optional sales tax tables.



You cannot deduct new motor vehicle taxes on line 7 of Schedule A if you make this election.

Actual Expenses

Generally, you can deduct the actual state and local general sales taxes (including compensating use taxes) you paid in 2010 if the tax rate was the same as the general sales tax rate. However, sales taxes on food, clothing, medical supplies, and motor

vehicles are deductible as a general sales tax even if the tax rate was less than the general sales tax rate. If you paid sales tax on a motor vehicle at a rate higher than the general sales tax rate, you can deduct only the amount of tax that you would have paid at the general sales tax rate on that vehicle. Motor vehicles include cars, motorcycles, motor homes, recreational vehicles, sport utility vehicles, trucks, vans, and off-road vehicles. Also include any state and local general sales taxes paid for a leased motor vehicle. Do not include sales taxes paid on items used in your trade or business.



You must keep your actual receipts showing general sales taxes paid to use this method.

Refund of general sales taxes. If you received a refund of state or local general sales taxes in 2010 for amounts paid in 2010, reduce your **actual** 2010 state and local general sales taxes by this amount. If you received a refund of state or local general sales taxes in 2010 for prior year purchases, do not reduce your 2010 state and local general sales taxes by this amount. But if you deducted your **actual** state and local general sales taxes in the earlier year and the deduction reduced your tax, you may have to include the refund in income on Form 1040, line 21. See *Recoveries* in Pub. 525 for details.

Optional Sales Tax Tables

Instead of using your actual expenses, you can use the tables on pages A-12 through A-14 to figure your state and local general sales tax deduction. You may also be able to add the state and local general sales taxes paid on certain specified items.

To figure your state and local general sales tax deduction using the tables, complete the worksheet on page A-4 or use the 2010 Sales Tax Deduction Calculator on the IRS website. To use the 2010 Sales Tax Deduction Calculator, go to IRS.gov and enter "sales tax deduction calculator" in the search box.



If your filing status is married filing separately, both you and your spouse elect to deduct sales taxes, and your spouse elects to use the optional sales tax tables, you also must use the tables to figure your state and local general sales tax deduction.

Instructions for Line 5b Worksheet

Line 1. If you lived in the same state for all of 2010, enter the applicable amount, based on your 2010 income and exemptions, from the optional state sales tax table for your state on page A-12 or A-13. Read down the "At least-But less than" columns for your state and find the line that includes your 2010 income. If married filing separately, do not include your spouse's income. Your 2010 income is the amount shown on your Form 1040, line 38, **plus** any nontaxable items, such as the following.

- Tax-exempt interest.
- Veterans' benefits.
- Nontaxable combat pay.
- Workers' compensation.
- Nontaxable part of social security and railroad retirement benefits.
- Nontaxable part of IRA, pension, or annuity distributions. Do not include rollovers.
- Public assistance payments.
- Economic recovery payments.

The exemptions column refers to the number of exemptions claimed on Form 1040, line 6d.

What if you lived in more than one state? If you lived in more than one state during 2010, look up the table amount for each state using the above rules. If there is no table for your state, the table amount is considered to be zero. Multiply the table amount for each state you lived in by a fraction. The numerator of the fraction is the number of days you lived in the state during 2010 and the denominator is the total number of days in the year (365). Enter the total of the prorated table amounts for each state on line 1. However, if you also lived in a locality during 2010 that imposed a local general sales tax, do not enter the total on line 1. Instead, complete a separate worksheet for each state you lived in and enter the prorated amount for that state on line 1.

Example. You lived in State A from January 1 through August 31, 2010 (243 days), and in State B from September 1 through December 31, 2010 (122 days). The table amount for State A is \$500. The table amount for State B is \$400. You would figure your state general sales tax as follows.

State A:	$\$500 \times 243/365 =$	\$333
State B:	$\$400 \times 122/365 =$	<u>134</u>
Total		= \$467

If none of the localities in which you lived during 2010 imposed a local general sales tax, enter \$467 on line 1 of your worksheet. Otherwise, complete a separate worksheet for State A and State B. Enter \$333 on line 1 of the State A worksheet and \$134 on line 1 of the State B worksheet.

Line 2. If you checked the "No" box, enter -0- on line 2, and go to line 3. If you checked the "Yes" box and lived in the same locality for all of 2010, enter the applicable amount, based on your 2010 income and exemptions, from the optional local sales tax table for your locality on page A-14. Read down the "At least-But less than" columns for your locality and find the line that includes your 2010 income. See the line 1 instructions on this page to figure your 2010 income. The exemptions column refers to the number of exemptions claimed on Form 1040, line 6d.

What if you lived in more than one locality? If you lived in more than one locality during 2010, look up the table amount

for each locality using the above rules. If there is no table for your locality, the table amount is considered to be zero. Multiply the table amount for each locality you lived in by a fraction. The numerator of the fraction is the number of days you lived in the locality during 2010 and the denominator is the total number of days in the year (365). If you lived in more than one locality in the

same state and the local general sales tax rate was the same for each locality, enter the total of the prorated table amounts for each locality in that state on line 2. Otherwise, complete a separate worksheet for lines 2 through 6 for each locality and enter each prorated table amount on line 2 of the applicable worksheet.

Example. You lived in Locality 1 from January 1 through August 31, 2010 (243 days), and in Locality 2 from September 1 through December 31, 2010 (122 days). The table amount for Locality 1 is \$100. The table amount for Locality 2 is \$150. You would figure the amount to enter on line 2 as follows. Note that this amount may not equal your local sales tax deduc-

State and Local General Sales Tax Deduction Worksheet—Line 5b
(See the *Instructions for Line 5b Worksheet* that begin on page A-3.)

Keep for Your Records



Instead of using this worksheet, you can find your deduction by using the 2010 Sales Tax Deduction Calculator at IRS.gov.

Before you begin: See the instructions for line 1 on page A-3 if you:

- Lived in more than one state during 2010, or
- Had any **nontaxable** income in 2010.

1. Enter your **state** general sales taxes from the applicable table on page A-12 or A-13 (see page A-3) . . . 1. \$

Next. If, for all of 2010, you lived only in Connecticut, the District of Columbia, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Jersey, Rhode Island, or West Virginia, skip lines 2 through 5, enter -0- on line 6, and go to line 7. Otherwise, go to line 2.

2. Did you live in Alaska, Arizona, Arkansas, California (Los Angeles County only), Colorado, Georgia, Illinois, Louisiana, Missouri, New York State, North Carolina, South Carolina, Tennessee, Utah, or Virginia in 2010?

No. Enter -0-

Yes. Enter your base **local** general sales taxes from the applicable table on page A-14 (see page A-3)

} 2. \$

3. Did your locality impose a **local** general sales tax in 2010? Residents of California and Nevada see the instructions for *Line 3* on page A-5.

No. Skip lines 3 through 5, enter -0- on line 6, and go to line 7.

Yes. Enter your **local** general sales tax rate, but omit the percentage sign. For example, if your local general sales tax rate was 2.5%, enter 2.5. If your local general sales tax rate changed or you lived in more than one locality in the same state during 2010, see page A-5

3.

4. Did you enter -0- on line 2 above?

No. Skip lines 4 and 5 and go to line 6.

Yes. Enter your **state** general sales tax rate (shown in the table heading for your state), but omit the percentage sign. For example, if your state general sales tax rate is 6%, enter 6.0

4.

5. Divide line 3 by line 4. Enter the result as a decimal (rounded to at least three places) 5.

6. Did you enter -0- on line 2 above?

No. Multiply line 2 by line 3

Yes. Multiply line 1 by line 5. If you lived in more than one locality in the same state during 2010, see the instructions on page A-5

} 6. \$

7. Enter your state and local general sales taxes paid on specified items, if any (see page A-5) 7. \$

8. **Deduction for general sales taxes.** Add lines 1, 6, and 7. Enter the result here and the total from all your state and local general sales tax deduction worksheets, if you completed more than one, on Schedule A, line 5. Be sure to check **box b** on that line 8. \$

tion, which is figured on line 6 of the worksheet.

Locality 1:	$\$100 \times 243/365 =$	$\$ 67$
Locality 2:	$\$150 \times 122/365 =$	$\underline{\$50}$
Total		$= \$117$

Line 3. If you lived in California, check the “No” box if your combined state and local general sales tax rate is 8.2500%. Otherwise, check the “Yes” box and include on line 3 only the part of the combined rate that is more than 8.2500%.

If you lived in Nevada, check the “No” box if your combined state and local general sales tax rate is 6.8500%. Otherwise, check the “Yes” box and include on line 3 only the part of the combined rate that is more than 6.8500%.

What if your local general sales tax rate changed during 2010? If you checked the “Yes” box and your local general sales tax rate changed during 2010, figure the rate to enter on line 3 as follows. Multiply each tax rate for the period it was in effect by a fraction. The numerator of the fraction is the number of days the rate was in effect during 2010 and the denominator is the total number of days in the year (365). Enter the total of the prorated tax rates on line 3.

Example. Locality 1 imposed a 1% local general sales tax from January 1 through September 30, 2010 (273 days). The rate increased to 1.75% for the period from October 1 through December 31, 2010 (92 days). You would enter “1.189” on line 3, figured as follows.

January 1 –		
September 30:	$1.00 \times 273/365 =$	0.748
October 1 –		
December 31:	$1.75 \times 92/365 =$	$\underline{0.441}$
Total		$= 1.189$

What if you lived in more than one locality in the same state during 2010? Complete a separate worksheet for lines 2 through 6 for each locality in your state if you lived in more than one locality in the same state during 2010 and either of the following applies.

- Each locality did not have the same local general sales tax rate.
- You lived in Los Angeles County, CA.

To figure the amount to enter on line 3 of the worksheet for each locality in which you lived (except a locality for which you used the table on page A-14 to figure your local general sales tax deduction), multiply the local general sales tax rate by a fraction. The numerator of the fraction is the number of days you lived in the locality during 2010 and the denominator is the total number of days in the year (365).

Example. You lived in Locality 1 from January 1 through August 31, 2010 (243 days), and in Locality 2 from September 1 through December 31, 2010 (122 days). The local general sales tax rate for Locality 1 is 1%. The rate for Locality 2 is 1.75%. You would enter “0.666” on line 3 for the

Locality 1 worksheet and “0.585” for the Locality 2 worksheet, figured as follows.

Locality 1:	$1.00 \times 243/365 =$	0.666
Locality 2:	$1.75 \times 122/365 =$	0.585

Line 6. If you lived in more than one locality in the same state during 2010, you should have completed line 1 only on the first worksheet for that state and separate worksheets for lines 2 through 6 for any other locality within that state in which you lived during 2010. If you checked the “Yes” box on line 6 of any of those worksheets, multiply line 5 of that worksheet by the amount that you entered on line 1 for that state on the first worksheet.

Line 7. Enter on line 7 any state and local general sales taxes paid on the following specified items. If you are completing more than one worksheet, include the total for line 7 on only one of the worksheets.

1. A motor vehicle (including a car, motorcycle, motor home, recreational vehicle, sport utility vehicle, truck, van, and off-road vehicle). Also include any state and local general sales taxes paid for a leased motor vehicle. If the state sales tax rate on these items is higher than the general sales tax rate, only include the amount of tax you would have paid at the general sales tax rate.

2. An aircraft or boat, if the tax rate was the same as the general sales tax rate.

3. A home (including a mobile home or prefabricated home) or substantial addition to or major renovation of a home, but only if the tax rate was the same as the general sales tax rate and any of the following applies.

a. Your state or locality imposes a general sales tax directly on the sale of a home or on the cost of a substantial addition or major renovation.

b. You purchased the materials to build a home or substantial addition or to perform a major renovation and paid the sales tax directly.

c. Under your state law, your contractor is considered your agent in the construction of the home or substantial addition or the performance of a major renovation. The contract must state that the contractor is authorized to act in your name and must follow your directions on construction decisions. In this case, you will be considered to have purchased any items subject to a sales tax and to have paid the sales tax directly.

Do not include sales taxes paid on items used in your trade or business. If you received a refund of state or local general sales taxes in 2010, see *Refund of general sales taxes* on page A-3.

Line 6

Real Estate Taxes

Include taxes (state, local, or foreign) you paid on real estate you own that was not used for business, but only if the taxes are based on the assessed value of the property. Also, the assessment must be made uniformly on property throughout the community, and the proceeds must be used for general community or governmental purposes. Pub. 530 explains the deductions homeowners can take.

Do not include the following amounts on line 6.

- Itemized charges for services to specific property or persons (for example, a \$20 monthly charge per house for trash collection, a \$5 charge for every 1,000 gallons of water consumed, or a flat charge for mowing a lawn that had grown higher than permitted under a local ordinance).

- Charges for improvements that tend to increase the value of your property (for example, an assessment to build a new sidewalk). The cost of a property improvement is added to the basis of the property. However, a charge is deductible if it is used only to maintain an existing public facility in service (for example, a charge to repair an existing sidewalk, and any interest included in that charge).

If your mortgage payments include your real estate taxes, you can deduct only the amount the mortgage company actually paid to the taxing authority in 2010.

If you sold your home in 2010, any real estate tax charged to the buyer should be shown on your settlement statement and in box 5 of any Form 1099-S you received. This amount is considered a refund of real estate taxes. See *Refunds and rebates* below. Any real estate taxes you paid at closing should be shown on your settlement statement.



You must look at your real estate tax bill to decide if any non-deductible itemized charges, such as those listed above, are included in the bill. If your taxing authority (or lender) does not furnish you a copy of your real estate tax bill, ask for it.

Refunds and rebates. If you received a refund or rebate in 2010 of real estate taxes you paid in 2010, reduce your deduction by the amount of the refund or rebate. If you received a refund or rebate in 2010 of real estate taxes you paid in an earlier year, do not reduce your deduction by this amount. Instead, you must include the refund or rebate in income on Form 1040, line 21, if you deducted the real estate taxes in the earlier year and the deduction reduced your tax. See *Recoveries* in Pub. 525 for details on how to figure the amount to include in income.

Line 7

New Motor Vehicle Taxes



You cannot deduct new motor vehicle taxes on line 7 if:

- The new motor vehicle was purchased after 2009, or
- You elected to deduct state and local general sales taxes on line 5b, or
- The amount on Form 1040, line 38, is equal to or greater than \$135,000 (\$260,000 if married filing jointly).

You may be able to deduct state and local sales and excise taxes (or certain other taxes or fees in a state without a sales tax) paid in 2010 for the purchase of any new motor vehicle(s) after February 16, 2009, and before January 1, 2010. To figure the amount you can deduct, you will need to complete the *Worksheet for Line 7* on the back of Schedule A.

Instructions for Worksheet for Line 7

Line 1. Enter the state and local sales and excise taxes you paid in 2010 from your sales invoice(s) relating to any new motor vehicle(s) (defined below) purchased after February 16, 2009, and before January 1, 2010.

States with no sales tax. The states of Alaska, Delaware, Hawaii, Montana, New Hampshire, and Oregon do not have a sales tax. However, you may be charged other taxes or fees on the purchase of a new motor vehicle in one of these six states that is similar to a sales tax. The taxes or fees that qualify must be assessed on the purchase of the vehicle and must be based on the vehicle's sales price or as a per unit fee. You can include these taxes or fees on line 1 of the *Worksheet for Line 7*.

One example of a fee you can include on line 1 of the worksheet is the 3.75% document fee when registering a title with the Delaware Division of Motor Vehicles. The fee is 3.75% of the purchase price.

New motor vehicle. A new motor vehicle is any of the following. The original use of the vehicle must begin with you.

- A passenger automobile or light truck that is self-propelled, designed to transport people or property on a street or highway, and the gross vehicle weight rating of the vehicle is not more than 8,500 pounds.
- A motorcycle (defined below) with a gross vehicle weight rating of not more than 8,500 pounds.
- A motor home (defined below).

Motorcycle. A vehicle with motive power having a seat or saddle for the use of the rider and designed to travel on not more than three wheels in contact with the ground.

Motor home. A multi-purpose vehicle with motive power that is designed to pro-

vide temporary residential accommodations, as evidenced by the presence of at least four of the following facilities.

- Cooking.
- Refrigeration or ice box.
- Self-contained toilet.
- Heating and/or air conditioning.
- Potable water supply system including a faucet and sink.
- Separate 110-125 volt electrical power supply and/or propane.

Line 2. Enter on line 2 the cost of the new motor vehicle(s). Do not include on line 2 any state or local sales or excise taxes you entered on line 1.

Line 3. If you check the "Yes" box, the amount you can include for state or local sales and excise taxes is limited to the taxes imposed on the first \$49,500 of the purchase price of each new motor vehicle. To figure the amount to enter on line 3, you will need to know the rate(s) of tax that apply in the state and locality where you purchased each new motor vehicle. If the state and locality where you purchased a new motor vehicle imposes a fixed rate, multiply the combined state and local rate by the smaller of \$49,500 or the purchase price (before taxes) of the new motor vehicle. See the *Example* below.

Some taxing jurisdictions may provide for a sales tax that is limited to a certain dollar amount per purchase. One example is Manatee County, Florida. Manatee County charges an additional ½% (.005) discretionary sales tax that is collected on the first \$5,000 of a purchase, not to exceed \$25.

Example. You purchased a new motor vehicle on December 3, 2009, for \$56,500 before taxes. You paid the sales tax on February 3, 2010. The state where you purchased the vehicle imposes a fixed sales tax rate of 5% and the locality also charges a fixed rate of 1%, for a combined fixed sales tax rate of 6%. The amount of sales tax you can include on line 3 is \$2,970 (\$49,500 × 6% (.06)).

Refunds and recoveries. If you received a refund in 2010 of new motor vehicle taxes you paid in 2009, you generally must include the refund in income on Form 1040, line 21, if you deducted the new motor vehicle taxes in 2009 and the deduction reduced your tax.

If you recover any portion of your new motor vehicle tax deduction in future tax years, you generally have to include that amount in your income at that time.

See *Recoveries* in Pub. 525 for details.

Line 8

Other Taxes

If you had any deductible tax not listed on line 5, 6, or 7, list the type and amount of

tax. Enter only one total on line 8. Include on this line:

- State and local personal property taxes you paid, if the taxes were based on value alone and were imposed on a yearly basis; and
- Income tax you paid to a foreign country or U.S. possession.



You may want to take a credit for the foreign tax instead of a deduction. See the instructions for Form 1040, line 47, for details.

Interest You Paid

Whether your interest expense is treated as investment interest, personal interest, or business interest depends on how and when you used the loan proceeds. See Pub. 535 for details.

In general, if you paid interest in 2010 that applies to any period after 2010, you can deduct only amounts that apply for 2010.

Lines 10 and 11

Home Mortgage Interest

A home mortgage is any loan that is secured by your main home or second home. It includes first and second mortgages, home equity loans, and refinanced mortgages.

A home can be a house, condominium, cooperative, mobile home, boat, or similar property. It must provide basic living accommodations including sleeping space, toilet, and cooking facilities.

Limit on home mortgage interest. If you took out any mortgages after October 13, 1987, your deduction may be limited. Any additional amounts borrowed after October 13, 1987, on a line-of-credit mortgage you had on that date are treated as a mortgage taken out after October 13, 1987. If you refinanced a mortgage you had on October 13, 1987, treat the new mortgage as taken out on or before October 13, 1987. But if you refinanced for more than the balance of the old mortgage, treat the excess as a mortgage taken out after October 13, 1987.

See Pub. 936 to figure your deduction if either (1) or (2) below applies. If you had more than one home at the same time, the dollar amounts in (1) and (2) apply to the total mortgages on both homes.

1. You took out any mortgages after October 13, 1987, and used the proceeds for purposes other than to buy, build, or improve your home, and all of these mortgages totaled over \$100,000 at any time during 2010. The limit is \$50,000 if married filing separately. An example of this type of mortgage is a home equity loan used to pay off credit card bills, buy a car, or pay tuition.

2. You took out any mortgages after October 13, 1987, and used the proceeds to buy, build, or improve your home, and these mortgages plus any mortgages you took out on or before October 13, 1987, totaled over \$1 million at any time during 2010. The limit is \$500,000 if married filing separately.



If the total amount of all mortgages is more than the fair market value of the home, additional limits apply. See Pub. 936.

Line 10

Enter on line 10 mortgage interest and points reported to you on Form 1098 under your social security number (SSN). If this form shows any refund of overpaid interest, do not reduce your deduction by the refund. Instead, see the instructions for Form 1040, line 21. If you and at least one other person (other than your spouse if filing jointly) were liable for and paid interest on the mortgage, and the interest was reported on Form 1098 under the other person's SSN, report your share of the interest on line 11 (as explained in the line 11 instructions on this page).

If you paid more interest to the recipient than is shown on Form 1098, see Pub. 936 to find out if you can deduct the additional interest. If you can, attach a statement explaining the difference and enter "See attached" to the right of line 10.



If you are claiming the mortgage interest credit (for holders of qualified mortgage credit certificates issued by state or lo-

cal governmental units or agencies), subtract the amount shown on Form 8396, line 3, from the total deductible interest you paid on your home mortgage. Enter the result on line 10.

Line 11

If you did not receive a Form 1098 from the recipient, report your deductible mortgage interest on line 11.

If you bought your home from the recipient, be sure to show that recipient's name, identifying number, and address on the dotted lines next to line 11. If the recipient is an individual, the identifying number is his or her social security number (SSN). Otherwise, it is the employer identification number. You must also let the recipient know your SSN. If you do not show the required information about the recipient or let the recipient know your SSN, you may have to pay a \$50 penalty.

If you and at least one other person (other than your spouse if filing jointly) were liable for and paid interest on the mortgage, and the other person received the Form 1098, attach a statement to your return showing the name and address of that person. To the right of line 11, enter "See attached."

Line 12

Points Not Reported on Form 1098

Points are shown on your settlement statement. Points you paid only to borrow money are generally deductible over the

life of the loan. See Pub. 936 to figure the amount you can deduct. Points paid for other purposes, such as for a lender's services, are not deductible.

Refinancing. Generally, you must deduct points you paid to refinance a mortgage over the life of the loan. This is true even if the new mortgage is secured by your main home.

If you used part of the proceeds to improve your main home, you may be able to deduct the part of the points related to the improvement in the year paid. See Pub. 936 for details.



If you paid off a mortgage early, deduct any remaining points in the year you paid off the mortgage. However, if you refinanced your mortgage with the same lender, see Mortgage ending early in Pub. 936 for an exception.

Line 13

Mortgage Insurance Premiums

Enter the qualified mortgage insurance premiums you paid under a mortgage insurance contract issued after December 31, 2006, in connection with home acquisition debt that was secured by your first or second home. Box 4 of Form 1098 may show the amount of premiums you paid in 2010. If you and at least one other person (other than your spouse if filing jointly) were liable for and paid the premiums in connection with the loan, and the premiums were reported on Form 1098 under the other person's SSN, report your share of the pre-

Mortgage Insurance Premiums Deduction Worksheet—Line 13

Keep for Your Records



Before you begin: ✓ See the instructions for line 13 above to see if you must use this worksheet to figure your deduction.

1. Enter the total premiums you paid in 2010 for qualified mortgage insurance for a contract issued after December 31, 2006	1.	<input type="text"/>
2. Enter the amount from Form 1040, line 38	2.	<input type="text"/>
3. Enter \$100,000 (\$50,000 if married filing separately)	3.	<input type="text"/>
4. Is the amount on line 2 more than the amount on line 3? <input type="checkbox"/> No. Your deduction is not limited. Enter the amount from line 1 above on Schedule A, line 13. Do not complete the rest of this worksheet. <input type="checkbox"/> Yes. Subtract line 3 from line 2. If the result is not a multiple of \$1,000 (\$500 if married filing separately), increase it to the next multiple of \$1,000 (\$500 if married filing separately). For example, increase \$425 to \$1,000, increase \$2,025 to \$3,000; or if married filing separately, increase \$425 to \$500, increase \$2,025 to \$2,500, etc.	4.	<input type="text"/>
5. Divide line 4 by \$10,000 (\$5,000 if married filing separately). Enter the result as a decimal. If the result is 1.0 or more, enter 1.0	5.	<input type="text"/>
6. Multiply line 1 by line 5	6.	<input type="text"/>
7. Mortgage insurance premiums deduction. Subtract line 6 from line 1. Enter the result here and on Schedule A, line 13	7.	<input type="text"/>

miums on line 13. See *Prepaid mortgage insurance premiums* below if you paid any premiums allocable to any period after 2010.

Qualified mortgage insurance is mortgage insurance provided by the Department of Veterans Affairs, the Federal Housing Administration, or the Rural Housing Service (or their successor organizations), and private mortgage insurance (as defined in section 2 of the Homeowners Protection Act of 1998 as in effect on December 20, 2006).

Mortgage insurance provided by the Department of Veterans Affairs and the Rural Housing Service is commonly known as a funding fee and guarantee fee respectively. These fees can be deducted fully in 2010 if the mortgage insurance contract was issued in 2010. Contact the mortgage insurance issuer to determine the deductible amount if it is not included in box 4 of Form 1098.

Prepaid mortgage insurance premiums. If you paid qualified mortgage insurance premiums that are allocable to periods after 2010, you must allocate them over the shorter of:

- The stated term of the mortgage, or
- 84 months, beginning with the month the insurance was obtained.

The premiums are treated as paid in the year to which they are allocated. If the mortgage is satisfied before its term, no deduction is allowed for the unamortized balance. See Pub. 936 for details.

The allocation rules, explained above, do not apply to qualified mortgage insurance provided by the Department of Veterans Affairs or the Rural Housing Service (or their successor organizations).

Limit on amount you can deduct. You cannot deduct your mortgage insurance premiums if the amount on Form 1040, line 38, is more than \$109,000 (\$54,500 if married filing separately). If the amount on Form 1040, line 38, is more than \$100,000 (\$50,000 if married filing separately), your deduction is limited and you must use the worksheet on page A-7 to figure your deduction.

Line 14

Investment Interest

Investment interest is interest paid on money you borrowed that is allocable to property held for investment. It does not include any interest allocable to passive activities or to securities that generate tax-exempt income.

Complete and attach Form 4952 to figure your deduction.

Exception. You do not have to file Form 4952 if all three of the following apply.

1. Your investment interest expense is not more than your investment income from interest and ordinary dividends minus any qualified dividends.

2. You have no other deductible investment expenses.

3. You have no disallowed investment interest expense from 2009.



Alaska Permanent Fund dividends, including those reported on Form 8814, are not investment income.

For more details, see Pub. 550.

Gifts to Charity

You can deduct contributions or gifts you gave to organizations that are religious, charitable, educational, scientific, or literary in purpose. You can also deduct what you gave to organizations that work to prevent cruelty to children or animals. Certain whaling captains may be able to deduct expenses paid in 2010 for Native Alaskan subsistence bowhead whale hunting activities. See Pub. 526 for details.

To verify an organization's charitable status, you can:

- Check with the organization to which you made the donation. The organization should be able to provide you with verification of its charitable status.

- See Pub. 78 for a list of most qualified organizations. You can access Pub. 78 at www.irs.gov/charities under *Search for Charities*.

- Call our Tax Exempt/Government Entities Customer Account Services at 1-877-829-5500.

Examples of Qualified Charitable Organizations

- Churches, mosques, synagogues, temples, etc.

- Boy Scouts, Boys and Girls Clubs of America, CARE, Girl Scouts, Goodwill Industries, Red Cross, Salvation Army, United Way, etc.

- Fraternal orders, if the gifts will be used for the purposes listed earlier on this page.

- Veterans' and certain cultural groups.

- Nonprofit schools, hospitals, and organizations whose purpose is to find a cure for, or help people who have, arthritis, asthma, birth defects, cancer, cerebral palsy, cystic fibrosis, diabetes, heart disease, hemophilia, mental illness or retardation, multiple sclerosis, muscular dystrophy, tuberculosis, etc.

- Federal, state, and local governments if the gifts are solely for public purposes.

Contributions You Can Deduct

Contributions can be in cash, property, or out-of-pocket expenses you paid to do volunteer work for the kinds of organizations described earlier. If you drove to and from the volunteer work, you can take the actual

cost of gas and oil or 14 cents a mile. Add parking and tolls to the amount you claim under either method. But do not deduct any amounts that were repaid to you.

Gifts from which you benefit. If you made a gift and received a benefit in return, such as food, entertainment, or merchandise, you can generally only deduct the amount that is more than the value of the benefit. But this rule does not apply to certain membership benefits provided in return for an annual payment of \$75 or less or to certain items or benefits of token value. For details, see Pub. 526.

Example. You paid \$70 to a charitable organization to attend a fund-raising dinner and the value of the dinner was \$40. You can deduct only \$30.

Gifts of \$250 or more. You can deduct a gift of \$250 or more only if you have a statement from the charitable organization showing the information in (1) and (2) next.

1. The amount of any money contributed and a description (but not value) of any property donated.

2. Whether the organization did or did not give you any goods or services in return for your contribution. If you did receive any goods or services, a description and estimate of the value must be included. If you received only intangible religious benefits (such as admission to a religious ceremony), the organization must state this, but it does not have to describe or value the benefit.

In figuring whether a gift is \$250 or more, do not combine separate donations. For example, if you gave your church \$25 each week for a total of \$1,300, treat each \$25 payment as a separate gift. If you made donations through payroll deductions, treat each deduction from each paycheck as a separate gift. See Pub. 526 if you made a separate gift of \$250 or more through payroll deduction.



You must get the statement by the date you file your return or the due date (including extensions) for filing your return, whichever is earlier. Do not attach the statement to your return. Instead, keep it for your records.

Limit on the amount you can deduct. See Pub. 526 to figure the amount of your deduction if any of the following applies.

1. Your cash contributions or contributions of ordinary income property are more than 30% of the amount on Form 1040, line 38.

2. Your gifts of capital gain property are more than 20% of the amount on Form 1040, line 38.

3. You gave gifts of property that increased in value or gave gifts of the use of property.

Contributions You Cannot Deduct

- Travel expenses (including meals and lodging) while away from home, unless there was no significant element of personal pleasure, recreation, or vacation in the travel.

- Political contributions.
- Dues, fees, or bills paid to country clubs, lodges, fraternal orders, or similar groups.
- Cost of raffle, bingo, or lottery tickets. But you may be able to deduct these expenses on line 28. See the instructions on page A-10 for details.

- Cost of tuition. But you may be able to deduct this expense on line 21 (see page A-10); or Form 1040, line 34; or take a credit for this expense (see Form 8863).

- Value of your time or services.
- Value of blood given to a blood bank.
- The transfer of a future interest in tangible personal property (generally, until the entire interest has been transferred).
- Gifts to individuals and groups that are run for personal profit.
- Gifts to foreign organizations. But you may be able to deduct gifts to certain U.S. organizations that transfer funds to foreign charities and certain Canadian, Israeli, and Mexican charities. See Pub. 526 for details.
- Gifts to organizations engaged in certain political activities that are of direct financial interest to your trade or business. See section 170(f)(9).
- Gifts to groups whose purpose is to lobby for changes in the laws.
- Gifts to civic leagues, social and sports clubs, labor unions, and chambers of commerce.
- Value of benefits received in connection with a contribution to a charitable organization. See Pub. 526 for exceptions.

Line 16

Gifts by Cash or Check



If you contributed money for the relief of victims in areas affected by the January 12, 2010, earthquake in Haiti and chose to deduct those amounts on your 2009 return instead of your 2010 return, do not include those amounts again on line 16.

Enter on line 16 the total gifts you made in cash or by check (including out-of-pocket expenses).

Recordkeeping. For any contribution made in cash, regardless of the amount, you must maintain as a record of the contribution a bank record (such as a canceled check or credit card statement) or a written record from the charity. The written record must include the name of the charity, date,

and amount of the contribution. If you made contributions through payroll deduction, see Pub. 526 for information on the records you must keep. Do not attach the record to your tax return. Instead, keep it with your other tax records.

Haiti relief contributions. If you made a contribution by phone or text message for the relief of victims in areas affected by the January 12, 2010, earthquake in Haiti, you can satisfy the recordkeeping requirement if you have a telephone bill showing the name of the donee organization, the date of the contribution, and the amount of the contribution.

Line 17

Other Than by Cash or Check

Enter your contributions of property. If you gave used items, such as clothing or furniture, deduct their fair market value at the time you gave them. Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale. For more details on determining the value of donated property, see Pub. 561.

If the amount of your deduction is more than \$500, you must complete and attach Form 8283. For this purpose, the “amount of your deduction” means your deduction before applying any income limits that could result in a carryover of contributions. If you deduct more than \$500 for a contribution of a motor vehicle, boat, or airplane, you must also attach a statement from the charitable organization to your return. The organization may use Form 1098-C to provide the required information. If your total deduction is over \$5,000, you may also have to get appraisals of the values of the donated property. This amount is \$500 for certain contributions of clothing and household items (see below). See Form 8283 and its instructions for details.

Contributions of clothing and household items. A deduction for these contributions will be allowed only if the items are in good used condition or better. However, this rule does not apply to a contribution of any single item for which a deduction of more than \$500 is claimed and for which you include a qualified appraisal and Form 8283 with your tax return.

Recordkeeping. If you gave property, you should keep a receipt or written statement from the organization you gave the property to, or a reliable written record, that shows the organization’s name and address, the date and location of the gift, and a description of the property. For each gift of property, you should also keep reliable written records that include:

- How you figured the property’s value at the time you gave it. If the value was determined by an appraisal, keep a signed copy of the appraisal.

- The cost or other basis of the property if you must reduce it by any ordinary income or capital gain that would have resulted if the property had been sold at its fair market value.

- How you figured your deduction if you chose to reduce your deduction for gifts of capital gain property.

- Any conditions attached to the gift.



If your total deduction for gifts of property is over \$500, you gave less than your entire interest in the property, or you made a “qualified conservation contribution,” your records should contain additional information. See Pub. 526 for details.

Line 18

Carryover From Prior Year

Enter any carryover of contributions that you could not deduct in an earlier year because they exceeded your adjusted gross income limit. See Pub. 526 for details.

Casualty and Theft Losses

Line 20

Complete and attach Form 4684 to figure the amount of your loss to enter on line 20.

You may be able to deduct part or all of each loss caused by theft, vandalism, fire, storm, or similar causes; car, boat, and other accidents; and corrosive drywall. You may also be able to deduct money you had in a financial institution but lost because of the insolvency or bankruptcy of the institution.

You can deduct personal casualty or theft losses only to the extent that:

1. The amount of each separate casualty or theft loss is more than \$100, and
2. The total amount of all losses during the year (reduced by the \$100 limit discussed in (1) above) is more than 10% of the amount on Form 1040, line 38.

Disaster losses. The special rules that were in effect in 2008 and 2009 for losses of personal use property attributable to federally declared disasters do not apply to losses after 2009. However, the special rules apply to a loss you are deducting in 2010 from a disaster that was declared a federal disaster in tax years beginning after 2007 and that occurred before 2010 but which you could not deduct in the year it occurred because you were not sure whether part of it would be reimbursed and you became reasonably certain in 2010 that it would not be reimbursed. See Form 4684 and its instructions for details.

Use Schedule A, line 23, to deduct the costs of proving that you had a property loss. Examples of these costs are appraisal fees and photographs used to establish the amount of your loss.

Job Expenses and Certain Miscellaneous Deductions

You can deduct only the part of these expenses that exceeds 2% of the amount on Form 1040, line 38.

Pub. 529 discusses the types of expenses that can and cannot be deducted.

Examples of Expenses You Cannot Deduct

- Political contributions.
- Legal expenses for personal matters that do not produce taxable income.
- Lost or misplaced cash or property.
- Expenses for meals during regular or extra work hours.
- The cost of entertaining friends.
- Commuting expenses. See Pub. 529 for the definition of commuting.
- Travel expenses for employment away from home if that period of employment exceeds 1 year. See Pub. 529 for an exception for certain federal employees.
 - Travel as a form of education.
 - Expenses of attending a seminar, convention, or similar meeting unless it is related to your employment.
 - Club dues.
 - Expenses of adopting a child. But you may be able to take a credit for adoption expenses. See Form 8839 for details.
 - Fines and penalties.
 - Expenses of producing tax-exempt income.

Line 21

Unreimbursed Employee Expenses

Enter the total ordinary and necessary job expenses you paid for which you were not reimbursed. (Amounts your employer included in box 1 of your Form W-2 are not considered reimbursements.)

An ordinary expense is one that is common and accepted in your field of trade, business, or profession. A necessary expense is one that is helpful and appropriate for your business. An expense does not have to be required to be considered necessary.

But you must fill in and attach Form 2106 if either (1) or (2), next, applies.

1. You claim any travel, transportation, meal, or entertainment expenses for your job.

2. Your employer paid you for any of your job expenses that you would otherwise report on line 21.



If you used your own vehicle, are using the standard mileage rate, and (2) above does not apply, you may be able to file Form 2106-EZ instead.

If you do not have to file Form 2106 or 2106-EZ, list the type and amount of each expense on the dotted line next to line 21. If you need more space, attach a statement showing the type and amount of each expense. Enter the total of all these expenses on line 21.



Do not include on line 21 any educator expenses you deducted on Form 1040, line 23.

Examples of other expenses to include on line 21 are:

- Safety equipment, small tools, and supplies needed for your job.
- Uniforms required by your employer that are not suitable for ordinary wear.
- Protective clothing required in your work, such as hard hats, safety shoes, and glasses.
- Physical examinations required by your employer.
- Dues to professional organizations and chambers of commerce.
- Subscriptions to professional journals.
- Fees to employment agencies and other costs to look for a new job in your present occupation, even if you do not get a new job.
- Certain business use of part of your home. For details, including limits that apply, use TeleTax topic 509 (see the Form 1040 instructions) or see Pub. 587.
- Certain educational expenses. For details, use TeleTax topic 513 (see the Form 1040 instructions) or see Pub. 970. Reduce your educational expenses by any tuition and fees deduction you claimed on Form 1040, line 34.



You may be able to take a credit for your educational expenses instead of a deduction. See Form 8863 for details.

Line 22

Tax Preparation Fees

Enter the fees you paid for preparation of your tax return, including fees paid for filing your return electronically. If you paid your tax by credit or debit card, include the convenience fee you were charged on line 23 instead of this line.

Line 23

Other Expenses

Enter the total amount you paid to produce or collect taxable income and manage or protect property held for earning income. But do not include any personal expenses. List the type and amount of each expense on the dotted lines next to line 23. If you need more space, attach a statement showing the type and amount of each expense. Enter one total on line 23.

Examples of expenses to include on line 23 are:

- Certain legal and accounting fees.
- Clerical help and office rent.
- Custodial (for example, trust account) fees.
- Your share of the investment expenses of a regulated investment company.
- Certain losses on nonfederally insured deposits in an insolvent or bankrupt financial institution. For details, including limits that apply, see Pub. 529.
- Casualty and theft losses of property used in performing services as an employee from Form 4684, lines 35 and 41b, or Form 4797, line 18a.
- Deduction for repayment of amounts under a claim of right if \$3,000 or less.
- Convenience fee charged by the card processor for paying your income tax (including estimated tax payments) by credit or debit card. The deduction is claimed for the year in which the fee was charged to your card.

Other Miscellaneous Deductions

Line 28

Only the expenses listed next can be deducted on this line. List the type and amount of each expense on the dotted lines next to line 28. If you need more space, attach a statement showing the type and amount of each expense. Enter one total on line 28.

- Gambling losses, but only to the extent of gambling winnings reported on Form 1040, line 21.
- Casualty and theft losses of income-producing property from Form 4684, lines 35 and 41b, or Form 4797, line 18a.
- Loss from other activities from Schedule K-1 (Form 1065-B), box 2.
- Federal estate tax on income in respect of a decedent.
- Amortizable bond premium on bonds acquired before October 23, 1986.

- Deduction for repayment of amounts under a claim of right if over \$3,000. See Pub. 525 for details.

- Certain unrecovered investment in a pension.

- Impairment-related work expenses of a disabled person.

For more details, see Pub. 529.

tions are less than your standard deduction, check the box on line 30.

Total Itemized Deductions

Line 30

If you elect to itemize for state tax or other purposes even though your itemized deduc-

2010 Optional State and Certain Local Sales Tax Tables

Income	Exemptions						Exemptions						Exemptions						Exemptions						Exemptions							
	At least	But less than	1	2	3	4	5	Over 5	1	2	3	4	5	Over 5	1	2	3	4	5	Over 5	1	2	3	4	5	Over 5	1	2	3	4	5	Over 5
			Alabama 4.0000%						Arizona¹ 6.1863%						Arkansas 6.0000%						California² 8.2500%						Colorado 2.9000%					
\$ 20,000	\$20,000	235	287	324	353	378	413	253	297	326	349	368	395	402	359	397	427	452	487	326	379	414	441	464	495	122	141	154	164	172	184	
20,000	30,000	336	409	460	501	535	583	408	476	522	558	588	630	472	559	618	664	702	756	523	605	660	702	737	786	185	213	232	247	259	276	
30,000	40,000	385	468	525	570	609	663	487	567	622	664	700	749	558	659	728	782	827	890	624	721	785	835	876	934	216	249	271	288	302	321	
40,000	50,000	426	516	579	629	670	730	555	646	708	756	795	851	630	745	822	883	933	1004	710	820	892	949	995	1061	243	279	304	322	338	360	
50,000	60,000	463	559	626	680	724	788	616	717	785	837	881	943	695	821	906	972	1027	1105	788	908	989	1051	1102	1174	267	306	333	353	370	393	
60,000	70,000	495	597	669	725	773	840	671	781	855	912	960	1026	754	890	982	1053	1113	1197	859	989	1076	1144	1199	1277	288	331	359	381	399	424	
70,000	80,000	525	633	708	767	817	889	724	842	921	982	1033	1105	809	954	1053	1129	1193	1283	926	1066	1159	1231	1291	1374	309	354	384	407	426	453	
80,000	90,000	553	666	744	806	858	933	773	898	982	1048	1102	1178	860	1014	1118	1199	1267	1362	988	1136	1236	1312	1376	1464	327	375	406	431	451	479	
90,000	100,000	579	696	778	842	897	974	819	951	1040	1109	1167	1247	908	1070	1180	1266	1337	1437	1047	1204	1308	1389	1456	1549	345	395	428	453	474	504	
100,000	120,000	613	736	821	889	946	1028	881	1022	1117	1191	1252	1338	971	1144	1261	1353	1428	1535	1125	1292	1404	1490	1562	1662	368	421	456	483	505	536	
120,000	140,000	659	790	881	953	1014	1100	965	1118	1222	1302	1369	1462	1058	1245	1372	1471	1553	1669	1231	1413	1535	1629	1706	1815	400	456	494	523	547	581	
140,000	160,000	699	836	932	1008	1071	1162	1038	1202	1313	1399	1471	1571	1133	1333	1468	1574	1661	1785	1324	1519	1649	1750	1833	1949	427	487	527	558	583	619	
160,000	180,000	739	882	982	1062	1128	1223	1111	1287	1405	1496	1572	1679	1207	1420	1564	1676	1769	1900	1417	1625	1763	1870	1959	2082	454	518	560	593	619	657	
180,000	200,000	774	923	1027	1110	1179	1278	1178	1362	1487	1584	1664	1777	1274	1498	1649	1767	1865	2003	1501	1720	1866	1979	2072	2203	479	545	590	624	652	691	
200,000 or more		947	1123	1246	1344	1425	1542	1508	1741	1898	2020	2121	2262	1605	1883	2072	2219	2341	2512	1921	2195	2378	2520	2637	2800	601	682	735	777	811	858	
		Connecticut 6.0000%						District of Columbia 6.0000%						Florida 6.0000%						Georgia 4.0000%						Hawaii⁵ 4.0000%						
\$ 20,000	\$20,000	235	270	293	310	325	345	186	216	236	252	265	283	262	306	336	359	378	404	169	195	213	226	237	253	262	318	356	386	411	447	
20,000	30,000	377	431	468	495	518	550	305	353	385	410	431	461	420	488	535	570	600	642	257	295	321	341	357	380	395	477	533	577	614	667	
30,000	40,000	449	513	556	589	617	654	366	423	462	492	517	552	500	581	635	678	713	762	301	345	375	397	416	442	460	554	619	670	713	774	
40,000	50,000	510	584	632	670	701	743	419	484	528	563	591	631	568	660	722	769	809	864	338	387	420	445	466	495	515	620	692	749	796	864	
50,000	60,000	566	647	701	742	776	823	467	539	588	626	657	702	630	731	799	851	895	956	371	425	460	488	511	542	563	678	756	818	870	943	
60,000	70,000	616	704	763	807	844	896	511	590	643	684	718	766	686	795	869	926	973	1040	401	458	497	526	551	584	607	730	814	880	936	1014	
70,000	80,000	664	758	821	869	909	964	553	637	694	739	776	827	739	856	935	997	1047	1118	429	490	531	562	588	624	648	778	868	938	997	1081	
80,000	90,000	708	808	875	926	968	1027	592	682	742	790	829	884	788	913	997	1062	1116	1191	455	519	562	595	623	660	685	823	917	992	1054	1142	
90,000	100,000	749	856	926	980	1025	1087	628	724	788	838	880	938	834	966	1055	1123	1180	1260	480	547	592	627	655	695	721	865	964	1042	1107	1199	
100,000	120,000	804	918	993	1051	1099	1165	677	779	848	902	946	1009	895	1036	1131	1204	1265	1350	512	583	631	668	698	740	767	920	1025	1107	1176	1274	
120,000	140,000	879	1003	1085	1149	1200	1273	744	855	931	989	1038	1106	979	1133	1236	1315	1381	1474	556	633	684	723	758	801	829	994	1107	1196	1270	1375	
140,000	160,000	944	1077	1166	1233	1289	1366	802	922	1003	1066	1118	1192	1052	1217	1327	1412	1483	1582	594	676	730	772	806	854	883	1058	1178	1272	1351	1463	
160,000	180,000	1009	1151	1245	1313	1377	1459	861	989	1076	1143	1199	1277	1125	1300	1418	1508	1584	1689	632	718	776	820	856	907	937	1121	1248	1348	1431	1549	
180,000	200,000	1068	1218	1317	1393	1456	1543	913	1049	1141	1212	1271	1354	1191	1375	1499	1595	1675	1786	666	757	817	863	901	954	985	1178	1314	1415	1503	1626	
200,000 or more		1359	1549	1674	1770	1849	1959	1179	1351	1468	1558	1633	1738	1518	1750	1906	2026	2126	2265	836	946	1019	1075	1121	1186	1219	1456	1618	1745	1851	2002	
		Idaho 6.0000%						Illinois 6.2500%						Indiana 7.0000%						Iowa 6.0000%						Kansas¹ 5.8041%						
\$ 20,000	\$20,000	270	320	353	379	401	431	365	447	505	550	589	644	302	354	389	417	439	472	268	312	342	365	383	410	338	417	473	517	554	608	
20,000	30,000	432	509	562	602	636	684	529	645	725	789	844	921	456	531	581	621	654	700	404	469	512	546	574	613	510	627	709	774	829	908	
30,000	40,000	513	605	667	715	756	812	608	740	831	904	965	1052	532	618	676	721	759	812	471	546	596	635	667	711	595	730	824	900	963	1054	
40,000	50,000	583	687	757	812	857	921	675	819	919	999	1066	1162	597	692	756	806	848	906	527	611	667	710	745	795	666	816	921	1005	1076	1177	
50,000	60,000	646	760	838	898	948	1019	734	889	997	1083	1155	1258	655	757	827	881	926	990	578	669	729	776	815	868	730	893	1007	1098	1175	1285	
60,000	70,000	703	827	911	977	1031	1108	787	952	1067	1158	1234	1344	707	816	891	949	997	1065	623	721	786	836	877	935	787	962	1085	1182	1265	1383	
70,000	80,000	757	890	980	1050	1109	1191	836	1010	1131	1227	1308	1424	757	872	951	1012	1063	1135	665	769	838	891	935	997	840	1026	1157	1260	1348	1474	
80,000	90,000	807	948	104																												

Which Optional Local Sales Tax Table Should I Use?

IF you live in the state of...	AND you live in...	THEN use Local Table...
Alaska	Any locality	C
Arizona	Mesa or Tucson	A
	Chandler, Gilbert, Glendale, Peoria, Phoenix, Scottsdale, Tempe, Yuma, or any other locality	B
Arkansas	Any locality	C
California	Los Angeles County	A
Colorado	Adams County, Arapahoe County, Boulder County, Centennial, Colorado Springs, Denver City/Denver County, El Paso County, Greeley, Jefferson County, Larimer County, Pueblo County, or any other locality	A
	Arvada, Aurora, City of Boulder, Fort Collins, Lakewood, Longmont, City of Pueblo, Thornton, or Westminster	B
Georgia	Any locality	B
Illinois	Any locality	A
Louisiana	East Baton Rouge Parish	B
	Any other locality	C
Missouri	Any locality	B
New York	New York City	A
	One of the following counties: Albany, Allegany, Cattaraugus, Cayuga, Chemung, Clinton, Cortland, Dutchess, Erie, Essex, Franklin, Fulton, Genesee, Herkimer, Jefferson, Lewis, Livingston, Monroe, Montgomery, Nassau, Niagara, Oneida, Onondaga, Ontario, Orange, Orleans, Oswego, Otsego, Putnam, Rensselaer, Rockland, St. Lawrence, Saratoga, Schenectady, Schoharie, Seneca, Steuben, Suffolk, Sullivan, Tompkins, Ulster, Warren, Washington, Westchester, Wyoming, or Yates	B
	Or the City of Oneida	
	Any other locality	D
North Carolina	Any locality	B
South Carolina	Cherokee County, Chesterfield County, Darlington County, Dillon County, Horry County, Jasper County, Lee County, Lexington County, or Myrtle Beach	B
	Any other locality	C
Tennessee	Any locality	B
Utah	Any locality	B
Virginia	Any locality	B

2010 Optional Local Sales Tax Tables for Certain Local Jurisdictions

(Based on a local sales tax rate of 1 percent)*

Income At least	But less than	Local Table A					Local Table B					Local Table C					Local Table D								
		Exemptions					Exemptions					Exemptions					Exemptions								
		1	2	3	4	Over 5	1	2	3	4	5	Over 5	1	2	3	4	5	Over 5	1	2	3	4	5	Over 5	
\$0	\$20,000	43	50	55	59	62	66	50	60	66	72	76	83	61	75	84	91	97	106	40	47	51	54	57	61
20,000	30,000	65	76	83	89	93	100	76	91	101	109	115	125	93	112	125	136	145	158	65	75	81	86	91	97
30,000	40,000	76	89	97	103	109	116	89	106	118	127	135	146	108	130	146	158	168	183	77	89	96	103	108	115
40,000	50,000	86	99	109	116	122	130	100	119	132	142	151	163	121	146	163	177	188	204	88	101	110	116	122	130
50,000	60,000	94	109	119	127	133	142	110	130	145	156	165	179	132	159	178	193	205	223	97	112	121	129	135	144
60,000	70,000	102	118	128	137	143	153	119	141	156	168	178	193	143	172	192	208	221	240	106	121	132	140	147	156
70,000	80,000	109	126	137	146	153	163	127	151	167	180	190	206	152	183	205	222	236	256	114	131	142	151	158	168
80,000	90,000	116	133	145	154	162	173	135	160	177	190	202	218	161	194	216	234	249	270	121	139	151	161	168	179
90,000	100,000	122	140	153	163	171	182	142	168	186	200	212	229	170	204	227	246	262	284	128	147	160	170	178	189
100,000	120,000	130	150	163	173	182	194	151	179	198	213	226	244	181	217	242	262	278	302	138	158	172	182	191	203
120,000	140,000	141	162	176	187	197	209	164	194	215	231	245	264	195	234	261	283	300	326	151	173	188	199	208	222
140,000	160,000	151	173	188	200	210	223	175	207	229	247	261	281	208	250	278	301	320	346	162	186	201	214	224	238
160,000	180,000	161	184	200	212	223	237	187	220	244	262	277	299	221	265	295	319	339	367	173	198	215	228	239	254
180,000	200,000	169	194	211	223	234	249	197	232	257	276	292	314	233	278	310	335	356	385	183	210	228	241	253	268
200,000	or more	213	242	263	278	291	309	246	290	319	343	362	390	289	344	383	413	439	475	234	267	289	306	321	340

*If your local rate is more than 1 percent, the local portion of your deduction for sales tax will be increased. See the instructions for line 3 of the *State and Local General Sales Tax Deduction Worksheet*.