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We provide a prompt, professional, personal one-on-one tax preparation service from the comfort of your home or office. We are competitively priced; in addition we offer a number of additional services as well as comprehensive information from our web site – <http://www.taxlogic.com>. If you're ready to file your return, returning users just sign-on and last years information will be carried over. New Users, registration only takes a few minutes!

We are continuing our discussion on the other Schedule A deductions, such as contributions, gambling losses, employee business expenses, and casualty and theft losses.

### Gifts to Charity

You may deduct contributions or gifts you gave to an organization that are religious, charitable, education, scientific, or literary in purpose. You may also deduct what you gave to organizations that work to prevent cruelty of children or animals. To verify an organization's charitable status you can check with the organization to which you made the donation, call 1-877-829-5500, or check on the web at <http://www.irs.gov>. Contributions may 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 may take 14 cents a mile or the actual cost of gas and oil. Add parking and tools to the amount you claim under either method. Under no circumstances can you deduct the time you spent on charitable activities.

If you made a gift and received a benefit in return, such as food, entertainment, or merchandise, you may generally only deduct the amount that is more than the value of the benefit.

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

You may deduct a gift of \$250 or more only if you have a statement from the charitable organization showing the information as follows:

1. The amount of any money contributed and a description of any property donated.
2. Whether the organization did or did not give you any goods or services in return for your contribution.

You may be limited on the amount you may deduct if any of the following applies:

1. Your contributions are more than 30% of the amount on Form 1040.
2. You gave gifts of property that increased in value or gave gifts of the use of property.

You may not deduct travel expenses, unless there is no significant element of personal pleasure, political contributions, dues, cost of raffle or cost of tuition.

If you contributed property such as clothing, furniture or stock worth more than \$500 you must complete and attach Form 8283. You deduct their fair market value, which is what a willing buyer would pay a willing seller. If your total deduction is over \$5,000, you may also have to get appraisals of the values of the donated property.

## Casualty and Theft Losses

You may be able to deduct part of all of each loss caused by theft, vandalism, fire, storm, or similar causes, and car, boat and other accidents. 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 may deduct non-business 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 is more than 10% of the amount on Form 1040, line 34.

## Job Expenses and Other Miscellaneous Deductions

Example of expenses you may not deduct are political contributions, personal legal expenses, lost or misplaced cash, expenses for meals during regular or extra work hours, the cost of entertaining friends, commuting expenses, travel expenses for employment away from home if that period of employment exceeds one year, fines and penalties, and club dues.

You may deduct some unreimbursed employee expenses. Enter the total job expenses you paid for which you were not reimbursed. Amounts your employer included in box 1 of your W-2 form are not considered reimbursements. 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 reportable on line 20.

If you do not have to file Form 2106, list the type and amount of each expense on the dotted lines next to line 20. If you need more space attach a statement showing the type and amount of each expense.

Examples of other expenses to include on line 20 are:

- Safety equipment, small tools and supplies need for the job.
- Uniforms required by your employer.
- Protective clothing required in your work.
- Dues to professional organizations.
- Physical examinations required by your employer.
- Fees to employment agencies and other cost to look for a new job.
- Subscriptions to professional journals.
- Tax preparation fees.

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. Examples of expenses to include on line 22 are certain legal and accounting fees, clerical help and office rent, casualty and theft losses of property used in performing services as an employee, and custodial fees.

## Other Miscellaneous Deductions - Line 27

Only the expenses listed next can be deducted on this line.

- Gambling losses, but only to the extent of gambling winnings.
- Casualty and theft losses of income producing property from Form 4684, lines 32 and 38b, or Form 4796, line 18b.
- 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.
- Impairment-related work expenses of a disabled person.

If you need more information on any items covered on a Schedule A, visit our site at <http://www.taxlogic.com>.