

Standard VS Itemized Deduction

In most cases, taxpayers will choose to take the higher deduction between standard and itemized deduction.

What are itemized deductions?

Itemized deduction is a personalized deduction based on yearly expenses.

Itemized deductions can be broken into 6 brackets:

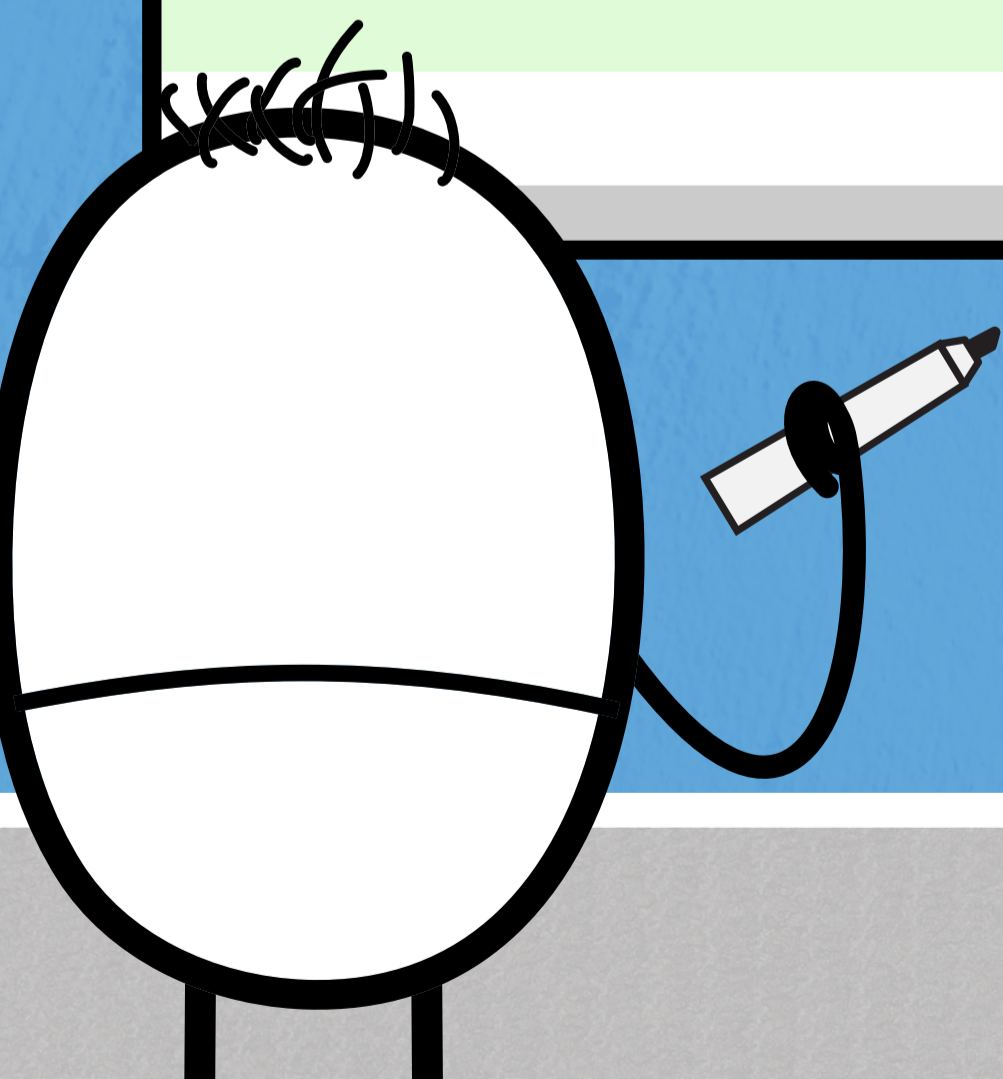
Medical and dental expenses	Amount over and above 7.5% of your adjusted gross income
Taxes you paid	State and local taxes paid or general sales tax, real estate taxes, and personal property taxes. Limited to \$10,000 (\$5,000 if MFS)
Interest you paid	Interest on home mortgage, points paid on home mortgage, mortgage insurance premiums.
Gifts to charity	Cash or non-cash donations to qualified charities
Casualty and theft losses	Must be from a federally declared disaster
Other itemized deductions	Gambling Losses for example.



What is a standard deduction?

Standard deduction is an automatic deduction based on filing status.

Filing Status	2021 Standard Deduction	2022 Standard Deduction
Single/Married Filing Separately	12,550	12,950
Married Filing Jointly/Qualifying Widower	25,100	25,900
Head of Household	18,800	19,400
Additional Standard Deduction for those 65+ or blind	1,350	1,400
Additional Standard Deduction for those 65+ or blind (Unmarried and not qualifying widower)	1,700	1,750
Dependent	1,100 or total earned income plus 350	1,150 or total earned income plus 400



Deductions Got You Down? The Nerds Can Help!

586.468.0200 | cpanerds.com