**Don’t Miss These Overlooked Tax Deductions**

Are you missing out on chances to lower your tax bill? No matter what your tax bracket, you will pay more than necessary if you don’t take advantage of all the [tax breaks](http://www.360financialliteracy.org/Topics/Taxes/Credits-Deductions/Understanding-Personal-Tax-Credits2) for which you qualify. The Massachusetts Society of CPAs reveals some commonly overlooked deductions that could save you money.

**State Sales Tax**

[Taxpayers who File a Form 1040](https://www.irs.gov/individuals/sales-tax-deduction-calculator), and itemize deductions on Schedule A, are allowed to deduct either their state and local income taxes or their state and local sales taxes, but not both, on their federal tax return. There are [seven states](http://www.bankrate.com/finance/taxes/state-with-no-income-tax-better-or-worse-1.aspx) with no income tax. It may make sense to deduct your state and local sales taxes, instead of your state and local income taxes, if your state has a low income tax rate or if you made a substantial purchase during the tax year, such as a car or boat. The federal state sales tax deduction became [permanent](http://www.bankrate.com/finance/taxes/take-advantage-of-the-sales-tax-deduction-1.aspx) in December 2015 through the Protecting Americans from Tax Hikes Act.

**Support for a Parent**

You may know that you can [claim your children](https://www.irs.gov/help-resources/tools-faqs/faqs-for-individuals/frequently-asked-tax-questions-answers/filing-requirements-status-dependents-exemptions/dependents-exemptions/dependents-exemptions-2) as dependents, as long as they are either under 19 (or under 24 and a student) or any age if they are permanently and totally disabled. But were you aware that families who offer financial support to aging parents may be able to claim them as dependents? You must meet certain requirements to qualify. They generally include, among other things, that your parent’s gross income for the year can’t be higher than the Internal Revenue Service exemption amount, that you provided more than half of your parent’s support for the year and that your parent is not being claimed as a dependent on someone else’s return. Your CPA can further explain all the relevant rules.

**Valuable Self-Employment Deductions**

Self-employed people may know they can take deductions for qualifying expenses such as the costs of an office, supplies and equipment, but they may overlook other deductions. For example, you may be able to deduct the amount you paid for medical and dental insurance and qualified long-term care insurance for yourself, your spouse, and your dependents. [Medicare premiums you voluntarily pay](http://www.kiplinger.com/slideshow/taxes/T054-S001-overlooked-tax-deductions/index.html) to obtain insurance in your name that is similar to qualifying private health insurance can be used to figure the deduction. The deduction is not available, however, for any month you were eligible to participate in a health plan subsidized by your or your spouse’s employer. In addition, for the 2016 tax year, self-employed people will pay a 12.4% Social Security tax on up to $118,500 of income and a 2.9% Medicare tax on all of their income, but they can deduct one-half of that tax. And does your business require you to travel away from home? Then you can deduct your travel expenses, [including airline ticket costs](http://www.kiplinger.com/slideshow/taxes/T054-S001-overlooked-tax-deductions/index.html), baggage fees, taxi fares and other ordinary and necessary expenses related to your business travel.

**[Hidden Charitable Deductions](http://www.kiplinger.com/slideshow/taxes/T054-S001-overlooked-tax-deductions/index.html)**

How much did you spend on the ingredients that you used when you contributed treats to a school bake sale? What were your gas, tolls and parking costs for driving that you did to perform services for your favorite charity? The little things add up, and if you make these kinds of contributions to a qualified organization, you can claim your expenses as a deduction. Be sure to keep records to prove the amount of the contributions you made during the year.

**Turn to Your CPA**

These are just some of the overlooked deductions you might be able to claim on your tax return. Your CPA can help you decide if itemizing your deductions is the best choice and spot other deductions you might have missed. Contact your CPA today for valuable tax and other financial planning advice. For additional resources when filing your taxes, visit [mscpaonline.org/findacpa](file:///C%3A%5CUsers%5Chmn%5CDownloads%5Cmscpaonline.org%5Cfindacpa).