



**Questions, please call  
(301) 408-0029**

What expenses can I claim?

What problems can I have if I claim expenses and I don't have the receipts?

What document should I keep?

What kind of documentation can the IRS ask from my dependents?



Can I claim dependents or kids that are not mine?

For how long should keep proof of my expenses or deductions?

Do I qualify for Head of Household Filing Status?

What happens if we file separate tax returns with my spouse?

Can I claim dependents who live outside the US?

DEDUCTIBLE EXPENSES	REQUIRED DOCUMENTS
<b>MEDICAL EXPENSES:</b> It includes hospital bills, doctors, dentists, prescription glasses and medications. Pre-tax health insurance paid on your paycheck paystubs are not tax deductible.	Receipts, invoices, bank and credit card statements Calculate 7.5% of your income and if the total of your medical bills are less than the resulting amount, you DO NOT qualify to claim medical expenses.
<b>MORTGAGE INTEREST &amp; TAXES:</b> Interest paid on loans, lines of credit secured by your house, including state real estate taxes and points paid on refinancing documents.	Form 1098-INT sent to you by the Mortgage Co. If the property taxes are paid by you, please bring property tax bill or cancelled checks.
<b>DONATIONS:</b> Donations must be paid to recognized entities such as churches, Salvation Army, American Red Cross, etc. It could be in cash or items such as clothes, furniture, etc.	Donation letter on the entity's letterhead, with their seal, signature and tax ID showing the amount of your donation or cancelled checks.
<b>WORK RELATED EXPENSES:</b> It includes uniforms, tools, union dues, gas, mileage or transportation, job related training and other expenses not reimbursed by your employer. <b>NOTE:</b> Commuting gasoline or mileage is <b>NOT</b> tax deductible (It includes gasoline, mileage for transportation from your home to your job and back) (Chances of an audit are higher for this)	Your employer must provide you with a letter stating that they require you to pay for your own job related expenses and that they did not reimburse for any of it. Also bring the receipts or invoices for any expenses or mileage logs for the year. (This is what the IRS asks for during audits)
<b>IMPORTANT:</b> IRS regulations require that you keep documentation or receipts for the expenses you claim for a minimum of 5 years. We recommend 7 years.	
<b>NOTE:</b> House or Apartment rent and utilities are <b>NOT</b> Tax deductible. Rent is only tax deductible for Washington, DC residents. However, if your income is over \$20,000 you cannot claim rent expense.	
<b>CHOOSING TO FILE TAXES SEPARATE WITH YOUR SPOUSE</b> If you are legally married and living together, you should file jointly. However, you have the choice of filing a separate return, but make sure you check the Married Filing Separately status on the return. Some file separate returns, but they check Single or Head of Household when claiming children, this is an <b>ILLEGAL</b> practice just to obtain higher refunds. This could create immigration problems when applying for US Citizenship. To claim the <b>Head of Household status</b> , you must be Single or legally divorced. Also, you must pay 100% of the rent/mortgage of the house where you live at, and your dependent children <b>MUST</b> have lived with you for at least 6 months during the year. Also, you must have paid at least 50% of their living expenses. (Copy of Social Security Card and Birth Certificate does <b>NOT</b> prove they live with you.)	
<b>DEPENDENTS LIVING OUTSIDE THE U.S.</b> You can only claim your dependents living in Mexico or Canada. (Dependent kids living outside the US, do not qualify for all the Credits) <b>NOTE:</b> You cannot claim dependents living in Central, South America or any other country.	
<b>DOCUMENTS TO PROOF EXPENSES RELATED TO YOUR DEPENDENT CHILDREN</b> Should the IRS ask for proof of expenses related to your dependents, you need documentation for the whole year such as: Rental Agreement or Mortgage Documents, cancelled checks for utility payments, Letter from your kid's school certifying you are the parent or guardian and the address on their files is the address shown on your tax return, letter of your kid's doctor or health provider stating that you take your kids for consultation and your address is the address on file and any other documentation that could prove the dependent children lived with you and your support to them. <b>Remember:</b> Birth Certificate and Social Security cards DO NOT prove support nor the fact that the kids lived with you.	

Before making a mistake, think again!  
Remember, you sign your return under penalty of perjury that all information contained in it, is true and correct!



This information is for internal use and guidance for our clients. There may be other tax deductible expenses applicable to specific cases. Visit the IRS website.

**Circular 230 Disclosure:** Advice given on this site is not intended to be used and cannot be used for the purpose of  
(1) avoiding penalties imposed by the IRS or any other government agency or  
(2) promoting, marketing, or recommending to another party any transaction or matter that is contained herein.

Property of ACR Accounting & Consulting Resources | Total or Partial reproduction without authorization is hereby prohibited. - 2012 ©