



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.).