



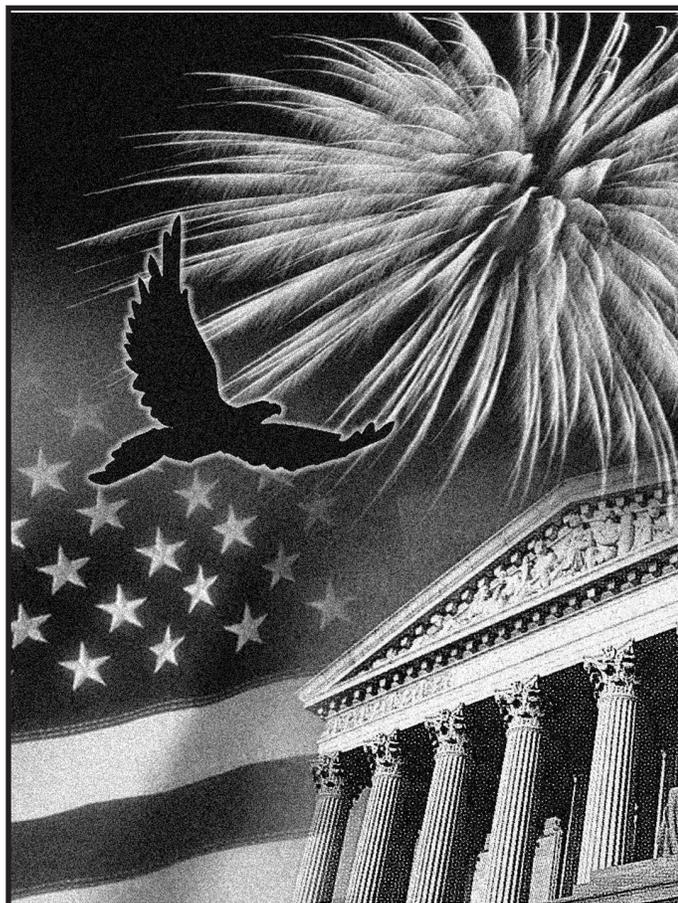
## Publication 529

Cat. No. 150560

# Miscellaneous Deductions

For use in preparing

## 2018 Returns



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## What's New

**No miscellaneous itemized deductions allowed.** You can no longer claim any miscellaneous itemized deductions. Miscellaneous itemized deductions are those deductions that would have been subject to the 2% of adjusted gross income limitation. See [Miscellaneous Itemized Deductions Subject to the 2% AGI Limit](#), later.

**Fines or penalties.** Rules regarding deducting fines and penalties have changed. See [Fines or Penalties](#), later.

**Standard mileage rate.** The 2018 rate for business use of a vehicle is 54.5 cents a mile.

## Reminders

**Future developments.** For the latest information about developments related to Pub. 529, such as legislation enacted after it was published, go to [IRS.gov/Pub529](https://www.irs.gov/pub529).

**Photographs of missing children.** The IRS is a proud partner with the [National Center for Missing & Exploited Children® \(NCMEC\)](#). Photographs of missing children selected by the Center may appear in this publication on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling 1-800-THE-LOST (1-800-843-5678) if you recognize a child.

## Introduction

This publication explains that you can no longer claim any miscellaneous itemized deductions, unless you fall into one of the qualified categories of employment claiming a deduction relating to unreimbursed employee expenses.

Miscellaneous itemized deductions are those deductions that would have been subject to the 2% of adjusted gross income limitation. You can still claim certain expenses as itemized deductions on Schedule A (Form 1040 or Form 1040NR) or as an adjustment to income on Form 1040. This publication covers the following topics.

- Deductions for Unreimbursed Employee Expenses.
- Expenses you can't deduct.
- Expenses you can deduct.
- How to report your deductions.

**Note.** Generally, nonresident aliens who fall into one of the qualified categories of employment are allowed deductions to the extent they are directly related to income which is effectively connected with the conduct of a trade or business within the United States.



You must keep records to verify your deductions. You should keep receipts, canceled checks, substitute checks, financial account statements, and other documentary evidence.

**Comments and suggestions.** We welcome your comments about this publication and your suggestions for future editions.

You can send us comments through [IRS.gov/FormComments](https://www.irs.gov/FormComments). Or you can write to:

Internal Revenue Service  
Tax Forms and Publications  
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Although we can't respond individually to each comment received, we do appreciate your feedback and will consider your comments as we revise our tax forms, instructions, and publications.

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**Tax questions.** If you have a tax question not answered by this publication, check [IRS.gov](https://www.irs.gov) and [How To Get Tax Help](#) at the end of this publication.

## Useful Items

You may want to see:

### Publication

- 463** Travel, Entertainment, Gift, and Car Expenses
- 525** Taxable and Nontaxable Income
- 535** Business Expenses
- 587** Business Use of Your Home (Including Use by Daycare Providers)
- 946** How To Depreciate Property

## Form (and Instructions)

- Schedule A (Form 1040)** Itemized Deductions
- 2106** Employee Business Expenses

See [How To Get Tax Help](#) near the end of this publication for information about getting these publications and forms.

# Deductions for Unreimbursed Employee Expenses

You can no longer claim any miscellaneous itemized deductions that are subject to the 2% of adjusted gross income limitation, including unreimbursed employee expenses. However, you may be able to deduct certain unreimbursed employee business expenses if you fall into one of the following categories of employment listed under [Unreimbursed Employee Expenses](#), next, or are an eligible educator as defined under [Educator Expenses](#), later.

## Unreimbursed Employee Expenses

You can no longer claim a deduction for unreimbursed employee expenses unless you fall into one of the following categories of employment, or have certain qualified educator expenses.

- Armed Forces reservists.
- Qualified performing artists.
- Fee-basis state or local government officials.
- Employees with impairment-related work expenses.

Unreimbursed employee expenses for individuals in these categories of employment are deducted as adjustments to gross income. Qualified employees listed in one of the categories above must complete Form 2106 to take the deduction. Certain qualified educator expenses are also deducted as an adjustment to gross income but you are not required to complete Form 2106.

You can deduct only unreimbursed employee expenses that are:

- Paid or incurred during your tax year,
- For carrying on your trade or business of being an employee, and
- Ordinary and necessary.

An expense is ordinary if it is common and accepted in your trade, business, or profession. An expense is necessary if it is appropriate and helpful to your business. An expense doesn't have to be required to be considered necessary.

## Categories of Employment

You can deduct unreimbursed employee expenses only if you qualify as an Armed Forces reservist, qualified performing artist, fee-basis state or local government official, and employee with impairment-related work expenses.

**Armed Forces reservist (member of a reserve component).** You are a member of a reserve component of the Armed Forces of the United States if you are in the Army, Navy, Marine Corps, Air Force, or Coast Guard Reserve; the Army National Guard of the United States; or the Reserve Corps of the Public Health Service.

**Armed Forces reservists traveling more than 100 miles from home.** If you are a member of a reserve component of the Armed Forces of the United States and you travel more than 100 miles away from home in connection with your performance of services as a member of the reserves, you can deduct some of your travel expenses as an adjustment to gross income. The amount of expenses you can deduct as an adjustment to gross income is limited to the regular federal per diem rate (for lodging, meals, and incidental expenses) and the standard mileage rate (for car expenses) plus any parking fees, ferry fees, and tolls. The balance, if any, is reported on Schedule A.

For more information on travel expenses, see Pub. 463.

**Qualified performing artist.** You are a qualified performing artist if you:

1. Performed services in the performing arts as an employee for at least two employers during the tax year,
2. Received from at least two of the employers wages of \$200 or more per employer,
3. Had allowable business expenses attributable to the performing arts of more than 10% of gross income from the performing arts, and
4. Had adjusted gross income of \$16,000 or less before deducting expenses as a performing artist.

If you are a qualified performing artist, you can deduct your employee business expenses as an adjustment to income rather than as a miscellaneous itemized deduction. For example, musicians and entertainers can deduct the cost of theatrical clothing and accessories that aren't suitable for everyday wear. If you are an employee, complete Form 2106. See Pub. 463 for more information.

**Fee-basis state or local government official.** You are a qualifying fee-basis official if you are employed by a state or political subdivision of a state and are compensated, in whole or in part, on a fee basis.

If you are a fee-basis official, you can claim your expenses in performing services in that job as an adjustment to income rather than as a miscellaneous itemized deduction. See Pub. 463 for more information.

**Employee with impairment-related work expenses.** Impairment-related work expenses are the allowable expenses of an individual with physical or mental disabilities for attendant care at his or her place of employment. They also include other expenses in connection with the place of employment that enable the employee to work. See Pub. 463 for more details.

If you have a physical or mental disability that limits your being employed, or substantially limits one or more of your major life activities, such as performing manual

tasks, walking, speaking, breathing, learning, and working, you can deduct your impairment-related work expenses.

Impairment-related work expenses are ordinary and necessary business expenses for attendant care services at your place of work and other expenses in connection with your place of work that are necessary for you to be able to work.

## Educator Expenses

If you were an eligible educator in 2018, you can deduct up to \$250 of qualified expenses you paid in 2018 as an adjustment to gross income on Schedule 1 (Form 1040), line 23, rather than as a miscellaneous itemized deduction. If you and your spouse are filing jointly and both of you were eligible educators, the maximum deduction is \$500. However, neither spouse can deduct more than \$250 of his or her qualified expenses.

**Eligible educator.** An eligible educator is a kindergarten through grade 12 teacher, instructor, counselor, principal, or aide in school for at least 900 hours during a school year.

**Qualified expenses.** Qualified expenses include ordinary and necessary expenses paid in connection with books, supplies, equipment (including computer equipment, software, and services), and other materials used in the classroom. An ordinary expense is one that is common and accepted in your educational field. A necessary expense is one that is helpful and appropriate for your profession as an educator. An expense doesn't have to be required to be considered necessary.

Qualified expenses also include those expenses you incur while participating in professional development courses related to the curriculum in which you provide instruction. It also includes those expenses related to those students for whom you provide that instruction.

Qualified expenses don't include expenses for home schooling or for nonathletic supplies for courses in health or physical education. You must reduce your qualified expenses by the following amounts.

- Excludable U.S. series EE and I savings bond interest from Form 8815.
- Nontaxable qualified state tuition program earnings.
- Nontaxable earnings from Coverdell education savings accounts.
- Any reimbursements you received for those expenses that weren't reported to you on your Form W-2, box 1.



*If you were an educator in 2018 and you had qualified expenses that you couldn't take as an adjustment to gross income, you can no longer deduct the rest as a miscellaneous itemized deduction.*

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## Expenses You Can't Deduct

In addition to the expenses that are no longer deductible as a miscellaneous itemized deduction, there are expenses that are traditionally nondeductible under the Internal Revenue Code. Both categories of deduction are discussed next.

### Miscellaneous Deductions Subject to the 2% AGI Limit

You generally can't deduct the following expenses, even if you fall into one of the qualified categories of employment listed earlier.

- Appraisal fees for a casualty loss or charitable contribution.
- Casualty and theft losses from property used in performing services as an employee.
- Clerical help and office rent in caring for investments.
- Credit or debit card convenience fees.
- Depreciation on home computers used for investments.
- Excess deductions (including administrative expenses) allowed a beneficiary on termination of an estate or trust.
- Fees to collect interest and dividends.
- Hobby expenses, but generally not more than hobby income.
- Indirect miscellaneous deductions from pass-through entities.
- Investment fees and expenses.
- Legal fees related to producing or collecting taxable income or getting tax advice.
- Loss on deposits in an insolvent or bankrupt financial institution.
- Loss on traditional IRAs or Roth IRAs, when all amounts have been distributed to you.
- Repayments of income.
- Repayments of social security benefits.
- Safe deposit box rental, except for storing jewelry and other personal effects.
- Service charges on dividend reinvestment plans.
- Tax advice fees.
- Trustee's fees for your IRA, if separately billed and paid.

### Appraisal Fees

Appraisal fees you pay to figure a casualty loss or the fair market value of donated property are miscellaneous itemized deductions and can no longer be deducted.

### Casualty and Theft Losses

Damaged or stolen property used in performing services as an employee is a miscellaneous deduction and can no longer be deducted. For more information on casualty and theft losses, see Pub. 547, *Casualties, Disasters, and Thefts*.

### Clerical Help and Office Rent

Office expenses, such as rent and clerical help, you pay in connection with your investments and collecting taxable income on those investments are miscellaneous itemized deductions and are no longer deductible.

### Credit or Debit Card Convenience Fees

The convenience fee charged by the card processor for paying your income tax (including estimated tax payments) by credit or debit card is a miscellaneous itemized deduction and is no longer deductible.

### Depreciation on Home Computer

If you use your home computer to produce income (for example, to manage your investments that produce taxable income), the depreciation of the computer for that part of the usage of the computer is a miscellaneous itemized deduction and is no longer deductible.

### Excess Deductions of an Estate

An excess deduction resulting from an estate's total deductions being greater than its gross income, in the previous tax year, is a miscellaneous itemized deduction and beneficiaries can no longer deduct it.

### Fees To Collect Interest and Dividends

Fees you pay to a broker, bank, trustee, or similar agent to collect your taxable bond interest or dividends on shares of stock are miscellaneous itemized deductions and can no longer be deducted.

### Fines or Penalties

No deduction is allowed for fines and penalties paid to a government or specified nongovernmental entity for the violation of any law *except* in the following situations.

- Certain amounts that constitute restitution.
- Certain amounts paid to come into compliance with the law.
- Amounts paid or incurred as the result of certain court orders in which no government or specified nongovernmental agency is a party.
- Amounts paid or incurred for taxes due.

Nondeductible amounts include an amount paid in settlement of your actual or potential liability for a fine or penalty (civil or criminal). Fines or penalties include amounts

paid such as parking tickets, tax penalties, and penalties deducted from teachers' paychecks after an illegal strike. No deduction is allowed for the restitution amount or amount paid to come into compliance with the law unless the amounts are specifically identified in the settlement agreement or court order. Also, any amount paid or incurred as reimbursement to the Government for the costs of any investigation or litigation are nondeductible.

## Hobby Expenses

A hobby isn't a business because it isn't carried on to make a profit. If you receive income for an activity that you don't carry out to make a profit, the expenses you pay for the activity are miscellaneous itemized deductions and can no longer be deducted. See *Not-for-Profit Activities* in chapter 1 of Pub. 535. You must still report the income you receive on Schedule 1 (Form 1040), line 21.

## Indirect Deductions of Pass-Through Entities

Pass-through entities include partnerships, S corporations, and mutual funds that aren't publicly offered. Deductions of pass-through entities are passed through to the partners or shareholders. The partner's or shareholder's share of passed-through deductions for investment expenses are miscellaneous itemized deductions and can no longer be deducted.

**Nonpublicly offered mutual funds.** These funds will send you a Form 1099-DIV, or a substitute form, showing your share of gross income and investment expenses. The investment expenses reported on Form 1099-DIV are a miscellaneous itemized deduction and are no longer deductible.

## Investment Fees and Expenses

Investment fees, custodial fees, trust administration fees, and other expenses you paid for managing your investments that produce taxable income are miscellaneous itemized deductions and are no longer deductible.

## Legal Expenses

Legal expenses that you incur in attempting to produce or collect taxable income or that you pay in connection with the determination, collection, or refund of any tax are miscellaneous itemized deductions and are no longer deductible.



*You can deduct legal expenses that are related to doing or keeping your job, such as those you paid to defend yourself against criminal charges arising out of your trade or business.*

You can deduct expenses of resolving tax issues relating to profit or loss from business (Schedule C or C-EZ), rentals or royalties (Schedule E), or farm income and expenses (Schedule F) on the appropriate schedule. Expenses for resolving nonbusiness tax issues are

miscellaneous itemized deductions and are no longer deductible.

## Loss on Deposits

A loss on deposits can occur when a bank, credit union, or other financial institution becomes insolvent or bankrupt. If you can reasonably estimate the amount of your loss on money you have on deposit in a financial institution that becomes insolvent or bankrupt, you can generally choose to deduct it in the current year even though its exact amount hasn't been finally determined.

If none of the deposit is federally insured, you could deduct the loss as a nonbusiness bad debt. Report it on Schedule D (Form 1040). You can no longer deduct the loss as an ordinary loss or as a casualty loss on Schedule A (Form 1040).

## Loss on IRA

A loss on your traditional IRA (or Roth IRA) investment is a miscellaneous itemized deduction and can no longer be deducted.

## Repayments of Income

Generally, repayments of amounts that you included in income in an earlier year is a miscellaneous itemized deduction and can no longer be deducted. If you had to repay more than \$3,000 that you included in your income in an earlier year, you may be able to deduct the amount. See [Repayments Under Claim of Right](#), later.

## Repayments of Social Security Benefits

If the total amount shown in box 5 of all of your Forms SSA-1099 and RRB-1099 is a negative figure, you may be able to deduct part of this negative figure if the figure is more than \$3,000. If the figure is less than \$3,000, it is a miscellaneous itemized deduction and can no longer be deducted. See Pub. 915, Social Security and Equivalent Railroad Retirement Benefits, for additional information.

## Safe Deposit Box Rent

Rent you pay for a safety deposit box you use to store taxable income-producing stocks, bonds, or investment related papers is a miscellaneous itemized deduction and can no longer be deducted.

You can't deduct the rent if you use the box only for jewelry, other personal items, or tax-exempt securities.

## Service Charges on Dividend Reinvestment Plans

Service charges you pay as a subscriber in a dividend reinvestment plan are a miscellaneous itemized deduction

and can no longer be deducted. These service charges include payments for:

- Holding shares acquired through a plan,
- Collecting and reinvesting cash dividends, and
- Keeping individual records and providing detailed statements of accounts.

## Tax Preparation Fees

Tax preparation fees on the return for the year in which you pay them are a miscellaneous itemized deduction and can no longer be deducted. These fees include the cost of tax preparation software programs and tax publications. They also include any fee you paid for electronic filing of your return.

## Trustee's Administrative Fees for IRA

Trustee's administrative fees that are billed separately and paid by you in connection with your IRA are a miscellaneous itemized deduction and can no longer be deducted.

## Nondeductible Expenses

In addition to the miscellaneous itemized deductions discussed earlier, you can't deduct the following expenses.

### List of Nondeductible Expenses

- Adoption expenses.
- Broker's commissions.
- Burial or funeral expenses, including the cost of a cemetery lot.
- Campaign expenses.
- Capital expenses.
- Check-writing fees.
- Club dues.
- Commuting expenses.
- Fees and licenses, such as car licenses, marriage licenses, and dog tags.
- Fines or penalties.
- Health spa expenses.
- Hobby losses—but see [Hobby Expenses](#), earlier.
- Home repairs, insurance, and rent.
- Home security system.
- Illegal bribes and kickbacks—see *Bribes and kickbacks* in chapter 11 of Pub. 535.
- Investment-related seminars.
- Life insurance premiums paid by the insured.
- Lobbying expenses.
- Losses from the sale of your home, furniture, personal car, etc.

- Lost or misplaced cash or property.
- Lunches with co-workers.
- Meals while working late.
- Medical expenses as business expenses other than medical examinations required by your employer.
- Personal disability insurance premiums.
- Personal legal expenses.
- Personal, living, or family expenses.
- Political contributions.
- Professional accreditation fees.
- Professional reputation, expenses to improve.
- Relief fund contributions.
- Residential telephone line.
- Stockholders' meeting, expenses of attending.
- Tax-exempt income, expenses of earning or collecting.
- The value of wages never received or lost vacation time.
- Travel expenses for another individual.
- Voluntary unemployment benefit fund contributions.
- Wristwatches.

## Adoption Expenses

You can't deduct the expenses of adopting a child but you may be able to take a credit for those expenses. For details, see Form 8839, Qualified Adoption Expenses.

## Commissions

Commissions paid on the purchase of securities aren't deductible, either as business or nonbusiness expenses. Instead, these fees must be added to the taxpayer's cost of the securities. Commissions paid on the sale are deductible as business expenses only by dealers.

## Campaign Expenses

You can't deduct campaign expenses of a candidate for any office, even if the candidate is running for reelection to the office. These include qualification and registration fees for primary elections.

**Legal fees.** You can't deduct legal fees paid to defend charges that arise from participation in a political campaign.

## Capital Expenses

You can't currently deduct amounts paid to buy property that has a useful life substantially beyond the tax year or amounts paid to increase the value or prolong the life of property. If you use such property in your work, you may

be able to take a depreciation deduction. See Pub. 946. If the property is a car used in your work, also see Pub. 463.

## Check-Writing Fees on Personal Account

If you have a personal checking account, you can't deduct fees charged by the bank for the privilege of writing checks, even if the account pays interest.

## Club Dues

Generally, you can't deduct the cost of membership in any club organized for business, pleasure, recreation, or other social purpose. This includes business, social, athletic, luncheon, sporting, airline, hotel, golf, and country clubs.

You can't deduct dues paid to an organization if one of its main purposes is to:

- Conduct entertainment activities for members or their guests, or
- Provide members or their guests with access to entertainment facilities.

Dues paid to airline, hotel, and luncheon clubs aren't deductible.

## Commuting Expenses

You can't deduct commuting expenses (the cost of transportation between your home and your main or regular place of work). If you fall into one of the qualified categories of employment discussed under [Unreimbursed Employee Expenses](#), earlier, and you haul tools, instruments, or other items in your car to and from work, you can deduct only the additional cost of hauling the items, such as the rent on a trailer to carry the items.

## Fines or Penalties

No deduction is allowed for fines and penalties paid to a government or specified nongovernmental entity for the violation of any law except in the following situations.

- Certain amounts that constitute restitution.
- Certain amounts paid to come into compliance with the law.
- Amounts paid or incurred as the result of certain court orders in which no government or specified nongovernmental agency is a party.
- Amounts paid or incurred for taxes due.

Nondeductible amounts include an amount paid in settlement of your actual or potential liability for a fine or penalty (civil or criminal). Fines or penalties include amounts paid such as parking tickets, tax penalties, and penalties deducted from teachers' paychecks after an illegal strike.

No deduction is allowed for the restitution amount or amount paid to come into compliance with the law unless the amounts are specifically identified in the settlement

agreement or court order. Also, any amount paid or incurred as reimbursement to the Government for the costs of any investigation or litigation are nondeductible.

## Health Spa Expenses

You can't deduct health spa expenses, even if there is a job requirement to stay in excellent physical condition, such as might be required of a law enforcement officer.

## Home Security System

You can't deduct the cost of a home security system as a miscellaneous deduction. However, you may be able to claim a deduction for a home security system as a business expense if you have a home office. See [Home Office](#) under *Expenses You Can Deduct*, later, and Pub. 587.

## Investment-Related Seminars

You can't deduct any expenses for attending a convention, seminar, or similar meeting for investment purposes.

## Life Insurance Premiums

You can't deduct premiums you pay on your life insurance. You may be able to deduct, as alimony, premiums you pay on life insurance policies assigned to your former spouse. See Pub. 504, *Divorced or Separated Individuals*, for information on alimony.

## Lobbying Expenses

You generally can't deduct amounts paid or incurred for lobbying expenses. These include expenses to:

1. Influence legislation;
2. Participate, or intervene, in any political campaign for, or against, any candidate for public office;
3. Attempt to influence the general public, or segments of the public, about elections, legislative matters, or referendums; or
4. Communicate directly with covered executive branch officials in any attempt to influence the official actions or positions of those officials.

Lobbying expenses also include any amounts paid or incurred for research, preparation, planning, or coordination of any of these activities.

**Covered executive branch official.** A covered executive branch official, for the purpose of (4) above, is any of the following officials.

- The President.
- The Vice President.
- Any officer or employee of the White House Office of the Executive Office of the President, and the two most senior level officers of each of the other agencies in the Executive Office.

- Any individual serving in a position in Level I of the Executive Schedule under section 5312 of Title 5, United States Code, any other individual designated by the President as having Cabinet-level status, and any immediate deputy of one of these individuals.

**Dues used for lobbying.** If a tax-exempt organization notifies you that part of the dues or other amounts you pay to the organization are used to pay nondeductible lobbying expenses, you can't deduct that part.

**Exceptions.** You can deduct certain lobbying expenses if they are ordinary and necessary expenses of carrying on your trade or business.

- You can deduct in-house expenses for influencing legislation or communicating directly with a covered executive branch official if the expenses for the tax year aren't more than \$2,000 (not counting overhead expenses).
- If you are a professional lobbyist, you can deduct the expenses you incur in the trade or business of lobbying on behalf of another person. Payments by the other person to you for lobbying activities can't be deducted.

### Lost or Mislaid Cash or Property

You can't deduct a loss based on the mere disappearance of money or property. However, an accidental loss or disappearance of property can qualify as a casualty if it results from an identifiable event that is sudden, unexpected, or unusual. See Pub. 547.

### Lunches With Co-Workers

You can't deduct the expenses of lunches with co-workers, except while traveling away from home on business. See Pub. 463 for information on deductible expenses while traveling away from home.

### Meals While Working Late

You can't deduct the cost of meals while working late. However, you may be able to claim a deduction for 50% of the cost of the meals if you are traveling away from home. See Pub. 463 for information on deductible expenses while traveling away from home.

### Personal Legal Expenses

You can't deduct personal legal expenses such as those for the following.

- Custody of children.
- Breach of promise to marry suit.
- Civil or criminal charges resulting from a personal relationship.
- Damages for personal injury (except certain whistleblower claims and unlawful discrimination claims). For

more information about unlawful discrimination claims, see [Expenses You Can't Deduct](#), earlier.

- Preparation of a title (or defense or perfection of a title).
- Preparation of a will.
- Property claims or property settlement in a divorce.

You can't deduct these expenses even if a result of the legal proceeding is the loss of income-producing property.

### Political Contributions

You can't deduct contributions made to a political candidate, a campaign committee, or a newsletter fund. Advertisements in convention bulletins and admissions to dinners or programs that benefit a political party or political candidate aren't deductible.

### Professional Accreditation Fees

You can't deduct professional accreditation fees such as the following.

- Accounting certificate fees paid for the initial right to practice accounting.
- Bar exam fees and incidental expenses in securing initial admission to the bar.
- Medical and dental license fees paid to get initial licensing.

### Professional Reputation

You can't deduct expenses of radio and TV appearances to increase your personal prestige or establish your professional reputation.

### Relief Fund Contributions

You can't deduct contributions paid to a private plan that pays benefits to any covered employee who can't work because of any injury or illness not related to the job.

### Residential Telephone Service

You can't deduct any charge (including taxes) for basic local telephone service for the first telephone line to your residence, even if it is used in a trade or business.

### Stockholders' Meetings

You can't deduct transportation and other expenses you pay to attend stockholders' meetings of companies in which you own stock but have no other interest. You can't deduct these expenses even if you are attending the meeting to get information that would be useful in making further investments.

## Tax-Exempt Income Expenses

You can't deduct expenses to produce tax-exempt income. You can't deduct interest on a debt incurred or continued to buy or carry tax-exempt securities.

If you have expenses to produce both taxable and tax-exempt income, but you can't identify the expenses that produce each type of income, you must divide the expenses based on the amount of each type of income to determine the amount that you can deduct.

## Travel Expenses for Another Individual

You generally can't deduct travel expenses you pay or incur for a spouse, dependent, or other individual who accompanies you (or your employee) on personal or business travel unless the spouse, dependent, or other individual is an employee of the taxpayer, the travel is for a bona fide business purpose, and such expenses would otherwise be deductible by the spouse, dependent, or other individual. See Pub. 463 for more information on deductible travel expenses.

## Voluntary Unemployment Benefit Fund Contributions

You can't deduct voluntary unemployment benefit fund contributions you make to a union fund or a private fund. However, you can deduct contributions as taxes if state law requires you to make them to a state unemployment fund that covers you for the loss of wages from unemployment caused by business conditions.

## Wristwatches

You can't deduct the cost of a wristwatch, even if there is a job requirement that you know the correct time to properly perform your duties.

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## Expenses You Can Deduct

You can deduct the items listed below as itemized deductions. Report these items on Schedule A (Form 1040), line 16, or Schedule A (Form 1040NR), line 7.

### List of Deductions

- Amortizable premium on taxable bonds.
- Casualty and theft losses from income-producing property.
- Federal estate tax on income in respect of a decedent.
- Fines or penalties.
- Gambling losses up to the amount of gambling winnings.
- Impairment-related work expenses of persons with disabilities.

- Losses from Ponzi-type investment schemes.
- Repayments of more than \$3,000 under a claim of right.
- Unlawful discrimination claims.
- Unrecovered investment in an annuity.
- An ordinary loss attributable to a contingent payment debt instrument or an inflation-indexed debt instrument (for example, a Treasury Inflation-Protected Security).

## Amortizable Premium on Taxable Bonds

In general, if the amount you pay for a bond is greater than its stated principal amount, the excess is bond premium. You can elect to amortize the premium on taxable bonds. The amortization of the premium is generally an offset to interest income on the bond rather than a separate deduction item.

**Pre-1998 election to amortize bond premium.** Generally, if you first elected to amortize bond premium before 1998, the above treatment of the premium doesn't apply to bonds you acquired before 1988.

**Bonds acquired after October 22, 1986, and before 1988.** The amortization of the premium on these bonds is investment interest expense subject to the investment interest limit, unless you chose to treat it as an offset to interest income on the bond.

**Bonds acquired before October 23, 1986.** The amortization of the premium on these bonds is deducted as an itemized deduction on Schedule A (Form 1040), line 16.

**Deduction for excess premium.** On certain bonds (such as bonds that pay a variable rate of interest or that provide for an interest-free period), the amount of bond premium allocable to a period may exceed the amount of stated interest allocable to the period. If this occurs, treat the excess as an itemized deduction on Schedule A (Form 1040), line 16. However, the amount deductible is limited to the amount by which your total interest inclusions on the bond in prior periods exceed the total amount you treated as a bond premium deduction on the bond in prior periods.

If any of the excess bond premium can't be deducted because of the limit, this amount is carried forward to the next period and is treated as bond premium allocable to that period. If there is a bond premium carryforward as of the end of the accrual period in which the bond is sold, retired, or otherwise disposed of, treat the carryforward as an itemized deduction on Schedule A (Form 1040), line 16.



**Pre-1998 choice to amortize bond premium.** If you made the choice to amortize the premium on taxable bonds before 1998, you can deduct the bond premium amortization that is more than your interest income only for bonds acquired during 1998 and later years.

**More information.** For more information on bond premium, see *Bond Premium Amortization* in chapter 3 of Pub. 550.

## Casualty and Theft Losses of Income-Producing Property

You can deduct a casualty or theft loss as an itemized deduction on Schedule A (Form 1040), line 16, if the damaged or stolen property was income-producing property (property held for investment, such as stocks, notes, bonds, gold, silver, vacant lots, and works of art). First report the loss in Section B of Form 4684. You may also have to include the loss on Form 4797, Sales of Business Property, if you are otherwise required to file that form. To figure your deduction, add all casualty or theft losses from this type of property included on Form 4684, lines 32 and 38b, or Form 4797, line 18a. For more information on casualty and theft losses, see Pub. 547.

## Federal Estate Tax on Income in Respect of a Decedent

You can deduct the federal estate tax attributable to income in respect of a decedent that you as a beneficiary include in your gross income. Income in respect of the decedent is gross income that the decedent would have received had death not occurred and that wasn't properly includible in the decedent's final income tax return. See Pub. 559 for information about figuring the amount of this deduction.

## Fines or Penalties

Generally, a deduction is allowed for fines and penalties paid to a government or specified nongovernmental entity for the violation of any law in the following situations.

- Certain amounts that constitute restitution.
- Certain amounts paid to come into compliance with the law.
- Amounts paid or incurred as the result of certain court orders in which no government or specified nongovernmental agency is a party.
- Amounts paid or incurred for taxes due.

Nondeductible amounts include an amount paid in settlement of your actual or potential liability for a fine or penalty (civil or criminal). Fines or penalties include amounts paid such as parking tickets, tax penalties, and penalties deducted from teachers' paychecks after an illegal strike.

No deduction is allowed for the restitution amount or amount paid to come into compliance with the law unless the amounts are specifically identified in the settlement agreement or court order. Also, any amount paid or incurred as reimbursement to the Government for the costs of any investigation or litigation are nondeductible.

## Gambling Losses Up to the Amount of Gambling Winnings

You must report the full amount of your gambling winnings for the year on Schedule 1 (Form 1040), line 21. You deduct your gambling losses for the year on Schedule A (Form 1040), line 16. Gambling losses include the actual cost of wagers plus expenses incurred in connection with the conduct of the gambling activity, such as travel to and from a casino. You can't deduct gambling losses that are more than your winnings. Generally, nonresident aliens can't deduct gambling losses on Schedule A (Form 1040NR).



*You can't reduce your gambling winnings by your gambling losses and report the difference. You must report the full amount of your winnings as income and claim your losses (up to the amount of winnings) as an itemized deduction. Therefore, your records should show your winnings separately from your losses.*



**Diary of winnings and losses.** You must keep an accurate diary or similar record of your losses and winnings.

Your diary should contain at least the following information.

- The date and type of your specific wager or wagering activity.
- The name and address or location of the gambling establishment.
- The names of other persons present with you at the gambling establishment.
- The amount(s) you won or lost.

**Proof of winnings and losses.** In addition to your diary, you should also have other documentation. You can generally prove your winnings and losses through Form W-2G, Certain Gambling Winnings; Form 5754, Statement by Person(s) Receiving Gambling Winnings; wagering tickets; canceled checks; substitute checks; credit records; bank withdrawals; and statements of actual winnings or payment slips provided to you by the gambling establishment.

For specific wagering transactions, you can use the following items to support your winnings and losses.



*These recordkeeping suggestions are intended as general guidelines to help you establish your winnings and losses. They aren't all-inclusive. Your tax liability depends on your particular facts and circumstances.*

**Keno.** Copies of the keno tickets you purchased that were validated by the gambling establishment, copies of your casino credit records, and copies of your casino check cashing records.

**Slot machines.** A record of the machine number and all winnings by date and time the machine was played.

**Table games (twenty-one (blackjack), craps, poker, baccarat, roulette, wheel of fortune, etc.).** The number of the table at which you were playing. Casino credit card data indicating whether the credit was issued in the pit or at the cashier's cage.

**Bingo.** A record of the number of games played, cost of tickets purchased, and amounts collected on winning tickets. Supplemental records include any receipts from the casino, parlor, etc.

**Racing (horse, harness, dog, etc.).** A record of the races, amounts of wagers, amounts collected on winning tickets, and amounts lost on losing tickets. Supplemental records include unredeemed tickets and payment records from the racetrack.

**Lotteries.** A record of ticket purchases, dates, winnings, and losses. Supplemental records include unredeemed tickets, payment slips, and winnings statements.

## Home Office

If you use a part of your home regularly and exclusively for business purposes, you may be able to deduct a part of the operating expenses and depreciation of your home.

You can claim this deduction for the business use of a part of your home only if you use that part of your home regularly and exclusively:

- As your principal place of business for any trade or business;
- As a place to meet or deal with your patients, clients, or customers in the normal course of your trade or business; or
- In the case of a separate structure not attached to your home, in connection with your trade or business.

The regular and exclusive business use must be for the convenience of your employer and not just appropriate and helpful in your job.

**Principal place of business.** If you have more than one place of business, the business part of your home is your principal place of business if:

- You use it regularly and exclusively for administrative or management activities of your trade or business, and
- You have no other fixed location where you conduct substantial administrative or management activities of your trade or business.

Otherwise, the location of your principal place of business generally depends on the relative importance of the activities performed at each location and the time spent at each location.



You should keep records that will give the information needed to figure the deduction according to these rules. Also keep canceled checks, substitute checks, or account statements and receipts of the expenses paid to prove the deductions you claim.

**More information.** See Pub. 587 for more detailed information and a worksheet for figuring the deduction.

## Losses From Ponzi-Type Investment Schemes

These losses are deductible as theft losses of income-producing property on your tax return for the year the loss was discovered. You figure the deductible loss in Section B of Form 4684. However, if you qualify to use Revenue Procedure 2009-20 (as modified by Revenue Procedure 2011-58) and you choose to follow the procedures in the guidance, complete Section C of Form 4684 before completing Section B. Section C of Form 4684 replaces Appendix A in Revenue Procedure 2009-20. You don't need to complete Appendix A. See the Form 4684 instructions and Pub. 547, *Casualties, Disasters, and Thefts*, for more information.

## Repayments Under Claim of Right

If you had to repay more than \$3,000 that you included in your income in an earlier year because at the time you thought you had an unrestricted right to it, you may be able to deduct the amount you repaid, or take a credit against your tax. See *Repayments* in Pub. 525 for more information.

## Unlawful Discrimination Claims

You may be able to deduct, as an adjustment to income on Schedule 1 (Form 1040), line 36, or Form 1040NR, line 34, attorney fees and court costs for actions settled or decided after October 22, 2004, involving a claim of unlawful discrimination, a claim against the U.S. Government, or a claim made under section 1862(b)(3)(A) of the Social Security Act. However, the amount you can deduct on Schedule 1 (Form 1040), line 36, or Form 1040NR, line 34, is limited to the amount of the judgment or settlement you are including in income for the tax year. See Pub. 525 for more information.

## Unrecovered Investment in Annuity

A retiree who contributed to the cost of an annuity can exclude from income a part of each payment received as a tax-free return of the retiree's investment. If the retiree dies before the entire investment is recovered tax free, any unrecovered investment can be deducted on the retiree's final income tax return. See Pub. 575, *Pension and Annuity Income*, for more information about the tax treatment of pensions and annuities.

## How To Report

Claim most deductions as an itemized deduction on Schedule A (Form 1040), on line 16, or Form 1040NR (Schedule A), line 7. However, see [Schedule 1 \(Form 1040\)](#), later.

**Reporting employee business expenses.** As described earlier in [Unreimbursed Employee Expenses](#), there are four categories of employees who can claim deductions for unreimbursed employee expenses.

Employees in the following categories can claim their unreimbursed employee expenses.

- Armed Forces reservists.
- Qualified performing artists.
- Fee-basis state or local government officials.
- Employees with impairment-related work expenses.



*Generally, nonresident aliens who fall into one of the qualified categories of employment are allowed deductions to the extent they are directly related to income which is effectively connected with the conduct of a trade or business within the United States.*

**Form 2106.** If you have deductible employee business expenses, you usually must file Form 2106.

You must file Form 2106 if any of the following applies to you.

1. You are a qualified performing artist claiming performing-artist-related expenses.
2. You are a fee-basis state or local government official claiming expenses in performing that job.
3. You are an individual with a disability and are claiming impairment-related work expenses. See [Employees with impairment-related work expenses](#), later.
4. You have travel expenses as a member of the Armed Forces reserves that you can deduct as an adjustment to gross income.
5. You are claiming job-related vehicle, travel, transportation, or non-entertainment meal expenses. If your only entry is on Form 2106, line 4, then you would enter the amount directly on Schedule 1 (Form 1040), line 24.

**Depreciation.** Use Form 4562, Part III, to claim the depreciation deduction for a computer you placed in service during 2018. Complete Form 4562, Part I, if you are claiming a section 179 deduction.

Don't use Form 4562 to claim the depreciation deduction for a computer you placed in service before 2018 and used only in your home office, unless you are otherwise required to file Form 4562. Instead, report the depreciation directly on the appropriate form. But if you are otherwise required to file Form 4562, report the depreciation in Part III, line 17.

**Employees with impairment-related work expenses.** Most of the categories of employees who are able to claim deductions for unreimbursed employees report these deductions as an adjustment to income on Schedule 1 (Form 1040), discussed next. However, employees with impairment-related work expenses on line 10 of Form 2106 report these expenses on Schedule A (Form 1040).

Enter impairment-related work expenses on Form 2106. Enter on Schedule A (Form 1040), line 16; or

Schedule A (Form 1040NR), line 7, that part of the amount on Form 2106, line 10, that is related to your impairment. Those employment related expenses not related to your impairment are a miscellaneous itemized deduction and are no longer deductible.

If you are self-employed, enter your impairment-related work expenses on the appropriate Form (Schedule C, C-EZ, E, or F) used to report your business income and expenses.

**Example.** You are blind. You must use a reader to do your work. You use the reader both during your regular working hours at your place of work and outside your regular working hours away from your place of work. The reader's services are only for your work. You can deduct your expenses for the reader as impairment-related work expenses.

## Schedule 1 (Form 1040)

Most deductible employee business expenses on line 10 of Form 2106 are reported as an adjustment to income on Schedule 1 (Form 1040), line 24; or Form 1040NR, line 34. However, certain other expenses are deducted on Schedule A (Form 1040).

**Educator expenses.** Certain qualified expenses of eligible educators can be deducted on Schedule 1 (Form 1040), line 23 or Form 1040NR, line 24.

**Unlawful discrimination claims.** You can deduct certain attorney fees and court costs for unlawful discrimination claims, described earlier, on Schedule 1 (Form 1040), line 36 or Form 1040NR, line 34.

## Example

Debra Smith is an army reservist stationed 110 miles from her home. She makes this trip once each month. In addition to her travel expenses, she pays for her own uniforms and for the cost of cleaning those uniforms.

In addition to her employee business expenses as an army reservist, she has gambling losses from her trips to the casino and race track. She has gambling winnings of \$5,400 and gambling losses of \$5,700.

Debra completes Form 2106, Part I. She enters her transportation expenses of \$500 as a reservist on line 3. She enters the amount of her expenses for the purchase of uniforms and their cleaning, \$250, on line 4. She then completes the form, entering the \$750 on line 6. Only the transportation expenses for travel as a reservist are deductible as an adjustment on Schedule 1 (Form 1040), line 24. The \$250 entered on line 4 is a miscellaneous itemized deduction and is not deductible.

Debra claims her gambling losses that don't exceed her gambling winnings as an itemized deduction. Debra enters her allowable loss (\$5,400) on Schedule A (Form 1040), line 16.

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# How To Get Tax Help

If you have questions about a tax issue, need help preparing your tax return, or want to download free publications, forms, or instructions, go to [IRS.gov](https://www.irs.gov) and find resources that can help you right away.

**Tax reform.** Major tax reform legislation impacting individuals, businesses, and tax-exempt entities was approved by Congress in the Tax Cuts and Jobs Act on December 22, 2017. Go to [IRS.gov/TaxReform](https://www.irs.gov/TaxReform) for information and updates on how this legislation affects your taxes.

**Preparing and filing your tax return.** Find free options to prepare and file your return on [IRS.gov](https://www.irs.gov) or in your local community if you qualify.

The Volunteer Income Tax Assistance (VITA) program offers free tax help to people who generally make \$55,000 or less, persons with disabilities, and limited-English-speaking taxpayers who need help preparing their own tax returns. The Tax Counseling for the Elderly (TCE) program offers free tax help for all taxpayers, particularly those who are 60 years of age and older. TCE volunteers specialize in answering questions about pensions and retirement-related issues unique to seniors.

You can go to [IRS.gov](https://www.irs.gov) to see your options for preparing and filing your return which include the following.

- **Free File.** Go to [IRS.gov/FreeFile](https://www.irs.gov/FreeFile) to see if you qualify to use brand-name software to prepare and *e-file* your federal tax return for free.
- **VITA.** Go to [IRS.gov/VITA](https://www.irs.gov/VITA), download the free IRS2Go app, or call 800-906-9887 to find the nearest VITA location for free tax return preparation.
- **TCE.** Go to [IRS.gov/TCE](https://www.irs.gov/TCE), download the free IRS2Go app, or call 888-227-7669 to find the nearest TCE location for free tax return preparation.



**Getting answers to your tax questions.** On [IRS.gov](https://www.irs.gov), get answers to your tax questions anytime, anywhere.

- Go to [IRS.gov/Help](https://www.irs.gov/Help) for a variety of tools that will help you get answers to some of the most common tax questions.
- Go to [IRS.gov/ITA](https://www.irs.gov/ITA) for the Interactive Tax Assistant, a tool that will ask you questions on a number of tax law topics and provide answers. You can print the entire interview and the final response for your records.
- Go to [IRS.gov/Pub17](https://www.irs.gov/Pub17) to get Pub. 17, Your Federal Income Tax for Individuals, which features details on tax-saving opportunities, 2018 tax changes, and thousands of interactive links to help you find answers to your questions. View it online in HTML, as a PDF, or download it to your mobile device as an eBook.
- You may also be able to access tax law information in your electronic filing software.

**Getting tax forms and publications.** Go to [IRS.gov/Forms](https://www.irs.gov/Forms) to view, download, or print all of the forms and publications you may need. You can also download and view popular tax publications and instructions (including the 1040 instructions) on mobile devices as an eBook at no charge. Or you can go to [IRS.gov/OrderForms](https://www.irs.gov/OrderForms) to place an order and have forms mailed to you within 10 business days.

**Access your online account (individual taxpayers only).** Go to [IRS.gov/Account](https://www.irs.gov/Account) to securely access information about your federal tax account.

- View the amount you owe, pay online, or set up an online payment agreement.
- Access your tax records online.
- Review the past 24 months of your payment history.
- Go to [IRS.gov/SecureAccess](https://www.irs.gov/SecureAccess) to review the required identity authentication process.

**Using direct deposit.** The fastest way to receive a tax refund is to combine direct deposit and IRS *e-file*. Direct deposit securely and electronically transfers your refund directly into your financial account. Eight in 10 taxpayers use direct deposit to receive their refund. The IRS issues more than 90% of refunds in less than 21 days.

**Delayed refund for returns claiming certain credits.** The IRS can't issue refunds before mid-February 2019 for returns that claimed the earned income credit (EIC) or the additional child tax credit (ACTC). This applies to the entire refund, not just the portion associated with these credits.

**Getting a transcript or copy of a return.** The quickest way to get a copy of your tax transcript is to go to [IRS.gov/Transcripts](https://www.irs.gov/Transcripts). Click on either "Get Transcript Online" or "Get Transcript by Mail" to order a copy of your transcript. If you prefer, you can:

- Order your transcript by calling 800-908-9946, or
- Mail Form 4506-T or Form 4506T-EZ (both available on [IRS.gov](https://www.irs.gov)).

**Using online tools to help prepare your return.** Go to [IRS.gov/Tools](https://www.irs.gov/Tools) for the following.

- The [Earned Income Tax Credit Assistant \(IRS.gov/EITCAssistant\)](https://www.irs.gov/EITCAssistant) determines if you're eligible for the EIC.
- The [Online EIN Application \(IRS.gov/EIN\)](https://www.irs.gov/EIN) helps you get an employer identification number.
- The [IRS Withholding Calculator \(IRS.gov/W4App\)](https://www.irs.gov/W4App) estimates the amount you should have withheld from your paycheck for federal income tax purposes and can help you perform a "paycheck checkup."
- The [First Time Homebuyer Credit Account Look-up \(IRS.gov/HomeBuyer\)](https://www.irs.gov/HomeBuyer) tool provides information on your repayments and account balance.
- The [Sales Tax Deduction Calculator \(IRS.gov/SalesTax\)](https://www.irs.gov/SalesTax) figures the amount you can claim if you

itemize deductions on Schedule A (Form 1040), choose not to claim state and local income taxes, and you didn't save your receipts showing the sales tax you paid.

### Resolving tax-related identity theft issues.

- The IRS doesn't initiate contact with taxpayers by email or telephone to request personal or financial information. This includes any type of electronic communication, such as text messages and social media channels.
- Go to [IRS.gov/IDProtection](https://www.irs.gov/IDProtection) for information.
- If your SSN has been lost or stolen or you suspect you're a victim of tax-related identity theft, visit [IRS.gov/identitytheft](https://www.irs.gov/identitytheft) to learn what steps you should take.

### Checking on the status of your refund.

- Go to [IRS.gov/Refunds](https://www.irs.gov/Refunds).
- The IRS can't issue refunds before mid-February 2019 for returns that claimed the EIC or the ACTC. This applies to the entire refund, not just the portion associated with these credits.
- Download the official IRS2Go app to your mobile device to check your refund status.
- Call the automated refund hotline at 800-829-1954.

**Making a tax payment.** The IRS uses the latest encryption technology to ensure your electronic payments are safe and secure. You can make electronic payments online, by phone, and from a mobile device using the IRS2Go app. Paying electronically is quick, easy, and faster than mailing in a check or money order. Go to [IRS.gov/Payments](https://www.irs.gov/Payments) to make a payment using any of the following options.

- **IRS Direct Pay:** Pay your individual tax bill or estimated tax payment directly from your checking or savings account at no cost to you.
- **Debit or credit card:** Choose an approved payment processor to pay online, by phone, and by mobile device.
- **Electronic Funds Withdrawal:** Offered only when filing your federal taxes using tax return preparation software or through a tax professional.
- **Electronic Federal Tax Payment System:** Best option for businesses. Enrollment is required.
- **Check or money order:** Mail your payment to the address listed on the notice or instructions.
- **Cash:** You may be able to pay your taxes with cash at a participating retail store.

**What if I can't pay now?** Go to [IRS.gov/Payments](https://www.irs.gov/Payments) for more information about your options.

- Apply for an [online payment agreement \(IRS.gov/OPA\)](https://www.irs.gov/OPA) to meet your tax obligation in monthly installments if you can't pay your taxes in full today. Once

you complete the online process, you will receive immediate notification of whether your agreement has been approved.

- Use the [Offer in Compromise Pre-Qualifier \(IRS.gov/OIC\)](https://www.irs.gov/OIC) to see if you can settle your tax debt for less than the full amount you owe.

**Checking the status of an amended return.** Go to [IRS.gov/WMAR](https://www.irs.gov/WMAR) to track the status of Form 1040X amended returns. Please note that it can take up to 3 weeks from the date you mailed your amended return for it to show up in our system and processing it can take up to 16 weeks.

**Understanding an IRS notice or letter.** Go to [IRS.gov/Notices](https://www.irs.gov/Notices) to find additional information about responding to an IRS notice or letter.

**Contacting your local IRS office.** Keep in mind, many questions can be answered on IRS.gov without visiting an IRS Tax Assistance Center (TAC). Go to [IRS.gov/LetUsHelp](https://www.irs.gov/LetUsHelp) for the topics people ask about most. If you still need help, IRS TACs provide tax help when a tax issue can't be handled online or by phone. All TACs now provide service by appointment so you'll know in advance that you can get the service you need without long wait times. Before you visit, go to [IRS.gov/TACLocator](https://www.irs.gov/TACLocator) to find the nearest TAC, check hours, available services, and appointment options. Or, on the IRS2Go app, under the Stay Connected tab, choose the Contact Us option and click on "Local Offices."

**Watching IRS videos.** The IRS Video portal ([IRSVideos.gov](https://www.irs.gov/IRSVideos.gov)) contains video and audio presentations for individuals, small businesses, and tax professionals.

**Getting tax information in other languages.** For taxpayers whose native language isn't English, we have the following resources available. Taxpayers can find information on IRS.gov in the following languages.

- [Spanish \(IRS.gov/Spanish\)](https://www.irs.gov/Spanish).
- [Chinese \(IRS.gov/Chinese\)](https://www.irs.gov/Chinese).
- [Vietnamese \(IRS.gov/Vietnamese\)](https://www.irs.gov/Vietnamese).
- [Korean \(IRS.gov/Korean\)](https://www.irs.gov/Korean).
- [Russian \(IRS.gov/Russian\)](https://www.irs.gov/Russian).

The IRS TACs provide over-the-phone interpreter service in over 170 languages, and the service is available free to taxpayers.

## The Taxpayer Advocate Service (TAS) Is Here To Help You

### What is TAS?

TAS is an *independent* organization within the IRS that helps taxpayers and protects taxpayer rights. Their job is to ensure that every taxpayer is treated fairly and that you know and understand your rights under the [Taxpayer Bill of Rights](https://www.irs.gov/TaxpayerBillOfRights).

## How Can You Learn About Your Taxpayer Rights?

The Taxpayer Bill of Rights describes 10 basic rights that all taxpayers have when dealing with the IRS. Go to [TaxpayerAdvocate.IRS.gov](https://www.irs.gov/taxpayer-advocate) to help you understand *what these rights mean to you* and how they apply. These are *your* rights. Know them. Use them.

## What Can TAS Do For You?

TAS can help you resolve problems that you can't resolve with the IRS. And their service is free. If you qualify for their assistance, you will be assigned to one advocate who will work with you throughout the process and will do everything possible to resolve your issue. TAS can help you if:

- Your problem is causing financial difficulty for you, your family, or your business;
- You face (or your business is facing) an immediate threat of adverse action; or
- You've tried repeatedly to contact the IRS but no one has responded, or the IRS hasn't responded by the date promised.

## How Can You Reach TAS?

TAS has offices [in every state, the District of Columbia, and Puerto Rico](#). Your local advocate's number is in your

local directory and at [TaxpayerAdvocate.IRS.gov/Contact-Us](https://www.irs.gov/taxpayer-advocate). You can also call them at 877-777-4778.

## How Else Does TAS Help Taxpayers?

TAS works to resolve large-scale problems that affect many taxpayers. If you know of one of these broad issues, please report it to them at [IRS.gov/SAMS](https://www.irs.gov/SAMS).

TAS also has a website, [Tax Reform Changes](https://www.irs.gov/TaxReformChanges), which shows you how the new tax law may change your future tax filings and helps you plan for these changes. The information is categorized by tax topic in the order of the IRS Form 1040. Go to [TaxChanges.us](https://www.irs.gov/TaxChanges.us) for more information.

## Low Income Taxpayer Clinics (LITCs)

LITCs are independent from the IRS. LITCs represent individuals whose income is below a certain level and need to resolve tax problems with the IRS, such as audits, appeals, and tax collection disputes. In addition, clinics can provide information about taxpayer rights and responsibilities in different languages for individuals who speak English as a second language. Services are offered for free or a small fee. To find a clinic near you, visit [TaxpayerAdvocate.IRS.gov/LITCmap](https://www.irs.gov/taxpayer-advocate) or see IRS Pub. 4134, [Low Income Taxpayer Clinic List](#).

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