Achievable

IRS EA PART 1 DUMP SHEET

Deductions and credits

Individual and itemized deductions

- **Traditional IRA contribution:** limit **$7,000**/yr (**$8,000** if age 50+); limited to taxable compensation

Itemized: Schedule A

- **Medical:** amount **exceeding 7.5% of AGI**; mileage **21¢/mile** (2025)
- SALT (state/local income or sales + property taxes): capped at **$40,000** ($20,000 MFS)
- **Mortgage interest:** acquisition debt up to **$750,000**; points on a main home deductible when paid; mortgage insurance no longer deductible
- **Charitable:** cash up to **60% of AGI** (or 20/30/50% by type); written acknowledgment for any gift **≥$250**; **Form 8283** if noncash gifts total **>$500**; excess carries forward **5 years**
- **Casualty/theft:** personal losses deductible **only** for a **federally declared disaster** (2018—2025); **Form 4684**
- **Gambling losses:** to the extent of winnings (2025); from **Jan 1, 2026** (OBBBA), only **90%** of losses, still capped at winnings; **comps** are taxable winnings

Business and special deductions

- **Methods:** cash, accrual or hybrid; change via **Form 3115**. **IRC §162** = ordinary and necessary
- **Meals 50%** deductible; **entertainment nondeductible** (TCJA); business **gifts** capped at **$25** per recipient
- **SE health insurance** (adjustment). **Home office:** used **regularly and exclusively**; Form 8829
- **QBI (§199A):** deduct up to **20%** of qualified business income (pass-throughs)
- **NOL:** carried **forward** indefinitely (**80%** of taxable income). **Start-up and organizational costs:** deduct up to **$5,000** each; excess amortized over **15 years**
- **Depreciation:** straight-line, 200% declining balance, **MACRS**
  - 5-yr: autos, computers
  - 7-yr: furniture
  - 27.5-yr: residential rental
  - 39-yr: nonresidential
- **§179** immediate expensing (**cannot create a loss**); **bonus depreciation** (**can** create a loss); §179 taken first
- **Nonbusiness bad debt:** deductible only when **totally worthless**; reported as a **short-term capital loss** (Sch D)
- **Auto loan interest (OBBBA, 2025—2028):** up to **$10,000**/yr, no itemizing needed; U.S.-assembled **new** vehicle; phase-out at **MAGI $100,000 single / $200,000 MFJ**; **Sch 1-A** (VIN required)

Family and earned income credits

- **Child and Dependent Care** (nonrefundable, **Form 2441**)
  Care for a dependent **under 13** or incapacitated; expense cap **$3,000** (one) / **$6,000** (two+); rate **35%** (AGI ≤$15,000) down to **20%** (AGI >$43,000); provider SSN/EIN
- **Child Tax Credit**
  $2,200 per qualifying child **under 17**; refundable up to **$1,700** (15% of earned income over $2,500); SSNs required (2025)
- **Credit for Other Dependents**
  $500 nonrefundable; phase-out at **$200,000** (**$400,000** MFJ)
- **Earned Income Credit** (refundable)
  Must have earned income; **not** MFS; investment income **≤$11,950** (2025); max **3** children; valid SSNs; U.S. residence >½ year. No children: age **25—64**
- **Premium Tax Credit (Form 8962)**
  Household income **≥100%** of FPL; **no 400% ceiling** for 2025; excess advance PTC repaid, capped below **400%** of FPL, in full at 400%+
- **Adoption Credit (Form 8839)**
  Child under 18; up to **$5,000** refundable from 2025

Education and other credits

- **American Opportunity Credit**
  Up to **$2,500** per student, first **4 years**; **40% refundable ($1,000)**; **100%** of the first $2,000 + **25%** of the next $2,000; phase-out **$80,000—$90,000** single / **$160,000—$180,000** MFJ; not MFS. Qualified: tuition, fees, books, required materials (not room and board)
- **Lifetime Learning Credit**
  20% of tuition; credit up to **$2,000** per return; unlimited years; nonrefundable
- **Saver's Credit (Form 8880)**
  Age 18+, not a full-time student, not a dependent
- **Credit for the Elderly or Disabled (Schedule R)**
  65+ or permanently and totally disabled; **15%** of the initial amount; not MFS (unless apart all year)
- **Energy** (Form 5695), **Foreign Tax Credit** (Form 1116), **Fuels Credit** (refundable, Form 4136)