

Three Often-Missed Tax Deductions

There are a number of tax deductions available but many people do not take them because they don't have any idea that such exist. Often they only find out about a deduction that they could have taken days after they filed their taxes while in the middle of a conversation with a colleague or a friend. It's understandable that they don't know about them simply because there are too many [deductions that can be legally claimed](#). Because there are several tax laws to keep in mind, there are also various deductions connected with them. Sadly for some reason, the absurd ones that people claim, such as deducting donated body parts, aren't legally accepted by the IRS. Here are three of the deductions that are easiest to take advantage of.

First, make sure you reflect in your tax return any donation, other than cash, given to a charitable institution. This includes those items that were paid using your credit card. Note that the deduction should be claimed on the year the donation was made, and not when the credit card charge was finally paid.

You must also make sure that you have proof of the donation and you can get this either from the charity or your credit card company. This deduction not only covers charges made on your credit card, but also to actual items donated to a non-profit organization. So if you decide that instead of conducting a yard sale you'll simply donate all of your furniture and old clothes, go ahead. It is all deductible to a certain extent. The only thing you will definitely want to do is ascertain that you get a written receipt from the charity. If you get an [audit](#) without a receipt, then you have no chance of claiming for those deductions. Also, the items that you donate like household goods and clothes should be in at least good or better condition or else, the deduction will not be accepted.

If you've refinanced your home and you've had to pay new points, then you'll be able to deduct a portion of that amount. For instance, if you refinanced your home on June 1st and refinanced it for a 20-year term, then after doing the simple math, seven of those 240 months will be after December 31st. If the new points lead to a debt of \$2,400, then you can actually deduct \$10 for each of the seven months, or \$70 for the whole year. Until the entire \$2,400 or all of the new points have been completely deducted, you are actually allowed to subtract around \$20 yearly.

People normally overlook taking [deductions](#) concerning their health insurance premiums simply because there are special qualifications that need to be met. The fact is, you can actually claim deductions for these, and even premiums for long-term care. You may avail of this tax benefit to significantly reduce your taxes as long as you pass certain qualifications. After which, these amounts should then be added to your medical expenses. Also, the total of your medical expenses must be above 7.5% of your AGI (adjusted gross income) before any deduction or tax benefit can be availed of.