
Don't miss these tax deductions and credits

Before you file your tax returns, use this checklist of often overlooked deductions and credits to make sure you're getting the breaks available to you.

Contributions to IRAs

You have until April 15, 2015 to make your 2014 IRA contribution of up to \$5,500 (or \$6,500 if you're 50 or older). You may be able to deduct some or all of your traditional IRA contribution, depending on certain income limitations and whether you or your spouse participate in a retirement plan at work. (Roth IRA contributions are not deductible.)

Volunteer costs

It's not just charitable donations that are deductible. You may also be able to deduct the cost of certain expenses when you volunteer for a qualifying charity. Certain travel costs and car mileage are examples of possible deductions.

Tuition

Are you, your spouse or a dependent paying tuition and fees for higher education? You may be able to claim the American Opportunity Tax Credit (AOTC) or the Lifetime Learning Credit (LLC) for qualifying expenses. Tax credits like these are particularly valuable because they can be a dollar-for-dollar reduction of your tax bill.

Home office

If you use part of your home for business, you probably already know you may be able to deduct a portion of expenses, such as mortgage interest, insurance, utilities, repairs and depreciation, for the business use of your home. The calculations can be complicated, though, and some people don't bother. Starting with the 2013 tax year, the IRS has offered a simplified option for calculating the business use of your home. So if you've been avoiding this, you may want to take a closer look this year. See the [IRS website](#) for more details.

Contributions to 529 plans

Payments to a 529 college savings plan are not deductible on your federal tax return, but many states do allow deductions or tax credits on state tax returns. Make sure you double-check the rules for your state so you don't miss what can often be a generous break.

Alternative Minimum Tax (AMT) warning

High-income taxpayers may be subject to the AMT and, as a result, are not eligible to claim certain deductions. Some of the deductions disallowed under AMT include state and local taxes and property taxes. Ask your tax return preparer for details.



Filing for an extension: *What you need to know*

If you are behind on your tax paperwork and know you won't have your U.S. Individual Income Tax Return ready by April 15, you may be able to get an automatic six-month extension to file your return by October 15. If you go for that option, keep the following in mind.

- **You still have to pay taxes owed by April 15.** Filing IRS Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return, allows you more time to prepare your tax returns, but you still must estimate and pay any taxes you owe by the April 15 deadline. Be sure to estimate carefully. If you miscalculate and end up with a higher tax bill than you expected, you may also get hit with penalties and interest.
- **Different states have different rules.** Many states have their own forms for filing extensions. If you don't file the correct form, you may have to pay late filing fees from your state.