

These summer actions might benefit taxpayers who itemize

Summer is a season when people have fun, yet get things done. From buying a new house to cleaning their old one, taxpayers who itemize their deductions may be doing things this summer that will affect the tax returns they file next year.

The higher standard deduction means fewer taxpayers are itemizing their deductions. However, taxpayers who still plan to itemize next year should keep these tips in mind:

- **Deducting state and local income, sales and property taxes.** The deduction that taxpayers can claim for state and local income, sales and property taxes is limited. This deduction is limited to a combined, total deduction of \$10,000. It is \$5,000 if married filing separately. Any state and local taxes paid above this amount can't be deducted.
- **Refinancing a home.** The deduction for mortgage interest is also limited. It's limited to interest paid on a loan secured by the taxpayer's main home or second home. For homeowners who choose to refinance, they must use the loan to buy, build, or substantially improve their main home or second home, and the mortgage interest they may deduct is subject to the limits described in the next bullet under "buying a home."
- **Buying a home.** People who buy a new home this year can only deduct mortgage interest they pay on a total of \$750,000 in qualifying debt for a first and second home. It's \$375,000 if married filing separately. For existing mortgages, if the loan originated on or before Dec. 15, 2017, taxpayers continue to deduct interest on a total of \$1 million in qualifying debt secured by first and second homes.
- **Donating items and deducting money.** Many taxpayers do a good summer clean-out during the warm months. They often find unused items in good condition they can donate to a qualified charity. These donations may qualify for a tax deduction. Taxpayers must itemize deductions to deduct [charitable contributions](#) and must have proof of all donations. Taxpayers can use the Interactive Tax Assistant to help determine whether they can [deduct their charitable contributions](#).
- **Deducting mileage for charity.** Driving a personal vehicle while donating services on a trip sponsored by a qualified charity could qualify for a tax break. Itemizers can deduct 14 cents per mile for charitable mileage driven in 2019.
- **Reporting gambling winnings and claiming gambling losses.** Taxpayers who itemize can deduct gambling losses up to the amount of gambling winnings. They can use the [Interactive Tax Assistant](#) to find out more about reporting gambling winnings and losses next year.