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Taxpayers who want to deduct their medical or dental expenses on their income taxes need to understand some of the basic requirements for the deductions. The same goes with those who may be saving for retirement via specific plans and IRAs.

The IRS has compiled a couple of lists of things to remember for certain types of deductions:

1. **You must itemize.** You can only claim medical and dental expenses for costs not covered by insurance if you itemize deductions on your tax return. You cannot claim medical and dental expenses if you take the standard deduction.
2. **Deduction is limited.** You can deduct medical and dental expenses that are more than 7.5 percent of your adjusted gross income.
3. **Expenses paid in 2012.** You can include medical and dental costs that you paid in 2012, even if you received the services in a previous year. Keep good records to show the amount that you paid.
4. **Qualifying expenses.** You may include most medical or dental costs that you paid for yourself, your spouse and your dependents. Some exceptions and special rules apply. Visit IRS.gov for more details.
5. **Costs to include.** You can normally claim the costs of diagnosing, treating, easing or preventing disease. The costs of prescription drugs and insulin qualify. The cost of medical, dental and some long-term care insurance also qualify.
6. **Travel is included.** You may be able to claim the cost of travel to obtain medical care. That includes the cost of public transportation or an ambulance as well as tolls and parking fees. If you use your car for medical travel, you can deduct the actual costs, including gas and oil. Instead of deducting the actual costs, you can

deduct the standard mileage rate for medical travel, which is 23 cents per mile for

IRA, you may be eligible for the Saver's Credit.

Here are seven points the IRS would like you to know about the Saver's Credit:

- 1. The Saver's Credit is formally known as the Retirement Savings Contribution Credit. The credit can be worth up to $2,000 for married couples filing a joint return or $1,000 for single taxpayers.
- 2. Your filing status and the amount of your income affect whether you are eligible for the credit. You may be eligible for the credit on your 2012 tax return if your filing status and income are:
  – Single, married filing separately or qualifying widow or widower, with income up to $28,750
  – Head of Household with income up to $43,125
  – Married Filing Jointly, with income up to $57,500
- 3. You must be at least 18 years of age to be eligible. You also cannot have been a full-time student in 2012 nor claimed as a dependent on someone else's tax return.
- 4. You must contribute to a qualified retirement plan by the due date of your tax return in order to claim the credit. The due date for most people is April 15.
- 5. The Saver's Credit reduces the tax you owe.
- 6. Use IRS Form 8880, Credit for Qualified Retirement Savings Contributions, to claim the credit. Be sure to attach the form to your federal tax return. If you use IRS e-file the software will do this for you.
- 7. Depending on your income, you may be eligible for other tax benefits if you contribute to a retirement plan. For example, you may be able to deduct all or part of your contributions to a traditional IRA.

As always, the best way for a taxpayer to ensure that they are properly filing their taxes and are also getting the most legal deductions and credits they are entitled to, is to use a credentialed tax professional, such as a CPA, EA, Tax Attorney or member of the National Association of Accountants.