#### **CPA**

#### Practice Advisor

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Jan. 22, 2018



As the year comes to a close, we have compiled some unexpected tax deductions you may be able to claim on your return as you look at getting your financial house in order and as you consider other New Year's resolutions. Whether with your business, your family, or your own personal goals, see below to make sure you're not missing out on any of these surprising deductions.

# **Unexpected Business Deductions**

### **Business travel (including exotic places)**

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If you drive to an educational class, you may be able to deduct the standard mileage rate (53.5 cents a mile in 2017) for the cost of commuting. If the education meets the following conditions, you would be able to take the deduction on Schedule A (if itemizing) or Schedule C.

- Required by your employer or by law to keep your present salary, status or job;
- Maintain or improve your job skills; and
- Don't qualify you for a new trade or business

### **Guard dogs**

If you have a guard dog to protect your business from robberies or break-ins, you're allowed to deduct any expenses necessary to take care of the guard dog.

#### Cat food and related expenses

If you have a business and your cat provides pest control, you may be able to deduct some of the expenses. To qualify, the expenses must be reasonable and directly related to the business. One couple claimed a deduction for cat food to feed wild cats that were used to keep their junkyard free from snakes and rats. The taxpayer won the case in Tax Court.

## New Year, New You

#### Cost to stop smoking

You can include in medical expenses amounts you pay for a program to stop smoking. However, you can't include in medical expenses amounts you pay for drugs that don't require a prescription, such as nicotine gum or patches, that are designed to help stop smoking.

#### Cost of getting in shape

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routine, your swimming pool expenses might qualify for a medical expense deduction. There is a case involving an arthritis patient who was prescribed to swim regularly to help treat his condition. The IRS allowed installation and expenses associated with the swimming pool. Pure recreational use of the pool would not qualify, however.

## **Managing Your Family Expenses**

#### Clarinet lessons for your kids

If your child has an overbite, you may want to enroll him or her in clarinet lessons. Both the clarinet and the music lessons are deductible thanks to a 1962 provision. Orthodontists argued that playing the clarinet helps with a child's overbite and thus may qualify as a medical expense.

### Salary you pay your kids

If you pay your kids to help in the office over the summer, you can deduct their salary as a business expense. The added benefit here is that you're able to move the money from a higher tax bracket of the business to the lower rates of your kids.

#### Cost of moving your family pet

Regardless of the type of pet you have, your pet is considered a personal effect. You're allowed to deduct reasonable expenses of moving your household goods and personal effects and of traveling from your old home to your new home. The move must be related to the start of work at a new principal place of work.

As with all tax deductions, be sure to document and retain receipts for any expenses

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