

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

details and expert advice and guidance, visit a CPA.

### **Generate energy credits in your state**

**Q.** In the last issue (SBTS May 2016), you explained rules for federal residential energy credits. Can you get this on a state level too? Anonymous

**A.** Possibly. Check your state laws to see if you're eligible for any tax benefits on a state income tax return for installing energy-saving improvements. For instance, government agencies, utilities and other entities offer a wide variety of tax credits, rebates and other incentives to support energy efficiency, encourage the use of renewable energy sources and bolster efforts to conserve energy and lessen pollution. The U.S. Department of Energy provides one-stop shopping at [www.energy.gov/savings](http://www.energy.gov/savings).

**Tip:** Simply select your state to find savings that may be available to you or your business.

### **IRS lists deductible medical expenses**

**Q.** Can you deduct wigs as a medical expense after chemotherapy? A.J.P., Spokane, Wash.

**A.** Yes. The IRS specifically says in Pub. 502, Medical and Dental Expenses, that you're allowed to deduct the cost of a wig as a medical expense if it's purchased upon the advice of a physician for the mental health of a patient who has lost all of his or her hair from disease. But you can't deduct any costs for cosmetic surgery. For a comprehensive list of which types of medical expenses are deductible, and which are not, go to [www.irs.gov/publications/p502/ar02.html](http://www.irs.gov/publications/p502/ar02.html).

**Tip:** You still have to clear the medical expense threshold based on adjusted gross

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

for the year. This deduction is available to educators besides teachers and principals, including aides or student teachers, if the supplies are used in the classroom for the students' benefit. This tax break was permanently extended by the Protecting Americans from Tax Hikes (PATH) Act.

**Tip:** Any excess may be deductible as a miscellaneous expense (subject to the usual limits).

### **Get tax bonus for heavy-duty vehicle**

**Q.** Does bonus depreciation apply to a new SUV used mostly for business? K.R., Burlington, Vt.

**A.** Yes, but you might do even better. Typically, you can claim the Section 179 allowance, plus bonus 50% bonus depreciation, for a vehicle placed in service in 2016. But the maximum combined write-off is limited by special rules for "luxury" vehicles. For example, the maximum first-year deduction for a passenger vehicle is \$11,160. However, if you buy a heavy-duty vehicle with a gross vehicle weight rating (GVWR) of more than 6,000 pounds, such as some sports utility vehicles (SUVs), you can deduct a maximum Section 179 allowance of \$25,000 this year.

**Tip:** Similar annual limits apply to trucks and vans.

---

Copyright 2016 – Business Management Daily

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us