



Eliminated Deductions

Investments

With the passing of Tax Cuts and Jobs Act of 2017 (TCJA), some deductions that have been available in the past are no longer available. One of these deductions is miscellaneous itemized deductions. Covered under this umbrella are investment advisor fees. Though unfortunate from a tax standpoint, it may still be the best way to have your advisor manage your investments. If you have taken advisor fees as part of your itemized deductions in the past, you may want to consider talking to your financial planner.

Other Miscellaneous Itemized Deductions

The other miscellaneous itemized deduction we see most often is unreimbursed business expenses, such as business mileage or items required to be used in a trade or business, but not paid for by the employer. If this change impacts your return, it may be a good idea to request your employer reimburse you for these expenses under an accountable reimbursement plan. This way, taxpayers get covered, tax-free, for the costs they pay out of pocket and the business gets to deduct the expense.

Regardless of the final guidance, the new tax laws will add to the complexity of preparing returns, which may also result in longer preparation times.

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