PRIME

ITEMIZED DEDUCTIONS



When filing your personal tax return, you generally have two options: take the standard deduction or itemize your deductions. Itemizing allows you to deduct certain qualifying personal expenses individually, which can potentially reduce your taxable income more than the standard deduction alone.

Common itemized deductions can include mortgage interest, state and local taxes, charitable contributions, and certain medical expenses. For business owners in particular, itemizing can become especially valuable in years with unusually high deductible expenses, major charitable giving, or significant income fluctuations.

The goal is simple: choose the deduction method that results in the lowest overall tax liability. While the standard deduction is often easier, itemizing can create meaningful tax savings when your qualifying expenses exceed the standard deduction threshold.

QUALIFICATIONS

This strategy tends to make the most sense if you already have substantial deductible personal expenses throughout the year.

Homeowners are often strong candidates due to mortgage interest and property taxes. Likewise, individuals who make large charitable contributions, have high state income taxes, or incur significant medical expenses may benefit more from itemizing than taking the standard deduction.

For business owners specifically, itemizing can become especially valuable during higher-income years or years involving major financial events, such as the sale of a business, unusually profitable operations, or large charitable gifts.

IMPLEMENTATION

For a detailed implementation checklist and other helpful resources, scan the QR code below or click **here**.

GOT QUESTIONS?

Email **decoder@primecorporateservices.com** or contact **(855) 577-4639** for more information.

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