

### State Individual Income Taxes: Treatment of Select Itemized Deductions, 2015

State	Allow Itemized Deductions	Federal or State Rules	Own High-Income Limitations	Major Differences From Federal Law
Alabama	Y	State	N	State income taxes and state and local sales taxes not deductible
Alaska	NO STATE INCOME TAX			
Arizona	Y	Federal	N	Cannot claim charitable contributions used for state tax credit
Arkansas	Y	State	N	State income taxes and state and local sales taxes not deductible
California	Y	State	Y	State income taxes and state and local sales taxes not deductible
Colorado	Y	Federal	N	State income taxes not deductible
Connecticut	N	--	--	--
Delaware	Y	Federal	N	State income taxes not deductible; charitable contributions claimed as a state tax credit not deductible
District of Columbia	Y	Federal	Y	Local income tax and sales taxes not deductible
Florida	NO STATE INCOME TAX			
Georgia	Y	Federal	N	State income taxes other than Georgia's not deductible
Hawaii	Y	Federal	Y	
Idaho	Y	Federal	N	State income taxes and state and local sales taxes not deductible
Illinois	N	--	--	--
Indiana	N	--	--	--
Iowa	Y	Federal	N	Iowa income tax not deductible; Iowa sales tax only deductible if claimed on the federal return
Kansas	Y	State	Y	State income taxes and state and local sales taxes not deductible
Kentucky	Y	State	Y	State income taxes and state and local sales taxes not deductible
Louisiana	Y	State	N	Taxpayers who itemize deductions for federal tax purposes may deduct the excess of federal itemized deductions (after the federal income limitation) over the federal standard deduction
Maine	Y	Federal	Y	State income and sales taxes not deductible
Maryland	Y	Federal	N	State and local income taxes not deductible
Massachusetts	N	--	--	--
Michigan	N	--	--	--
Minnesota	Y	Federal	Y	State income taxes and state and local sales taxes not deductible
Mississippi	Y	Federal	N	State income taxes and state and local sales taxes not deductible; Mississippi gambling losses are not deductible
Missouri	Y	Federal	N	State and local income taxes not deductible
Montana	Y	Federal	N	State income taxes not deductible

Nebraska	Y	Federal	N	State and local income taxes not deductible
Nevada	NO STATE INCOME TAX			
New Hampshire	N	--	--	--
New Jersey	N	--	--	--
New Mexico	Y	Federal	N	State and local income or sales taxes not deductible; charitable contributions used for tax credits not deductible
New York	Y	Federal	Y	State, local, and foreign income taxes not deductible; cannot use tuition is used for tax credit
North Carolina	Y	State	Y	Qualifying home mortgage interest and real estate property taxes are deductible, but the sum of the two is limited to \$20,000
North Dakota	Y	Federal	N	
Ohio	N	--	--	--
Oklahoma	Y	Federal	N	
Oregon	Y	Federal	N	State income and state and local sales taxes not deductible
Pennsylvania	N	--	--	--
Rhode Island	N	--	--	--
South Carolina	Y	Federal	N	State and local income and sales taxes not deductible
South Dakota	NO STATE INCOME TAX			
Tennessee	N	--	--	--
Texas	NO STATE INCOME TAX			
Utah	Y	Federal	Y	State and local income taxes not deductible
Vermont	Y	Federal	Y	State and local income taxes not deductible; itemized deductions are capped at 2.5 times the standard deduction (charitable gifts and medical expenses are not subject to cap)
Virginia	Y	Federal	N	State and local income taxes not deductible
Washington	NO STATE INCOME TAX			
West Virginia	N	--	--	--
Wisconsin	Y	State	Y	Itemized deduction credit of 5% after subtraction of sliding scale standard deduction; no credit for taxes
Wyoming	NO STATE INCOME TAX			

**Sources:**

**Wisconsin Legislative Fiscal Bureau, "Individual Income Tax Provisions in the States," January 2017**

[http://docs.legis.wisconsin.gov/misc/lfb/informational\\_papers/january\\_2017/0004\\_individual\\_income\\_tax\\_provisions\\_in\\_the\\_states\\_informational\\_paper\\_4.pdf](http://docs.legis.wisconsin.gov/misc/lfb/informational_papers/january_2017/0004_individual_income_tax_provisions_in_the_states_informational_paper_4.pdf)

**Institute on Taxation and Economic Policy: "State Treatment of Itemized Deductions," June 2016**

[http://itep.org/itep\\_reports/pdf/StateTreatmentID.pdf](http://itep.org/itep_reports/pdf/StateTreatmentID.pdf)

Notes :

FEDERAL

For detailed information regarding the federal treatment of itemized deductions, see IRS Tax Topic 500 available at: <http://www.irs.gov/taxtopics/tc500.html>

Alabama

Medical deductions are limited to expenses greater than 4% of Alabama adjusted gross income.

Arizona

Arizona follows the federal treatment of itemized deductions; however, all medical expenses are fully deductible.

Colorado

Colorado state income tax is based on federal taxable income; taxpayers who did not itemize deductions when calculating their federal income tax may not itemize deductions for Colorado income tax purposes. For those who did itemize deductions on the federal level, they must add back the deduction for state income taxes when calculating their Colorado income tax.

Delaware

Delaware follows the federal treatment of itemized deductions; however the following increases to the federal deductions must be made when calculating the deductions for the state: (1) the amount equal to the excess of the state employee automobile mileage reimbursement allowance over the standard mileage rate allowed as a charitable deduction for federal income tax purposes for unreimbursed automobile transportation expense incurred while serving as a volunteer for a charitable organization as defined in IRC Sec. 170(c), and (2) the amount paid by a self-employed taxpayer for medical care insurance for the taxpayer, the taxpayer's spouse or dependents, less the amount allowed for federal purposes to self-employed individuals and shareholders of S corporations as a deduction for medical insurance costs (IRC Sec. 162).

District of Columbia

District of Columbia follows the federal treatment of itemized deductions; however, District general sales tax is not deductible.

Idaho

Idaho follows the federal treatment of itemized deductions; however, state general sales tax is not deductible.

Iowa

All taxpayers, including those who are not itemizing deductions, may deduct federal income taxes from their Iowa state return.

Kentucky

Kentucky follows the federal treatment of itemized deductions; however, state general sales tax is not deductible. Artistic charitable contributions are allowed as adjustments to income if not itemizing.

Louisiana

All taxpayers, including those who are not itemizing deductions, may deduct federal income taxes from their Louisiana state return.

Maryland

Maryland follows the federal treatment of itemized deductions. For individuals whose adjusted gross income exceeds \$100,000 (\$50,000 in the case of a separate return by a married individual), the amount of the itemized deductions otherwise allowable must be reduced by the lesser of 3% of the excess of adjusted gross income over the applicable amount, or 80% of the amount of the itemized deductions otherwise allowable for the taxable year.

Massachusetts

Massachusetts does not allow for any of the selected itemized deductions; however, it does provide a limited set of deductions including a deduction for Social Security taxes and disabled dependent care.

### Minnesota

Minnesota state income tax is based on federal taxable income; taxpayers who itemized deductions when calculating their federal income tax must add back the deduction for state income and state sales taxes when calculating their Minnesota income tax.

### Missouri

Missouri follows the federal treatment of itemized deductions; however the following increases to the federal deductions must be made when calculating the deductions for the state: (1) the value of a literary, musical, scholarly or artistic composition contributed to a nonprofit organization operated by any taxpayer whose efforts created the composition less the federal adjusted gross income deduction for the contribution and by (2) any amount of Social Security, railroad retirement system or self-employed taxes paid, to the extent that such taxes were not deducted in the computation of the taxpayer's federal adjusted gross income (Sec. 143.141, RSMo).

### Montana

Montana follows the federal treatment of itemized deductions with the exception of premium payments for medical care and long-term care insurance, which are not deductible.

### Nebraska

Nebraska follows the federal treatment of itemized deductions; however, state general sales tax is not deductible. Some exceptions to the allowable itemized deductions apply at higher income levels.

### New York

New York follows the federal treatment of itemized deductions; however the New York itemized deductions must be reduced by the sum of (1) an amount equal to the New York itemized deduction multiplied by a percentage (such percentage to be determined by multiplying 25% by a fraction, in the case of an unmarried individual or married individual filing separately, the numerator of which is the lesser of \$50,000 or the excess of the individual's New York adjusted gross income over \$100,000 and the denominator of which is \$50,000, in the case of a married individual filing jointly or a surviving spouse, the numerator of which is the lesser of \$50,000 or the excess of the individual's New York adjusted gross income over \$200,000 and the denominator of which is \$50,000, and in the case of a head of household, the numerator of which is the lesser of \$50,000 or the excess of the individual's New York adjusted gross income over \$150,000 and the denominator of which is \$50,000) and (2) an amount equal to the New York itemized deduction of an individual multiplied by a percentage (the percentage to be determined by multiplying 25% by a fraction, the numerator of which is the lesser of \$50,000 or the excess of the individual's New York adjusted gross income over \$475,000 and the denominator of which is \$50,000) (Ch. 60, Sec. 615).

### North Carolina

North Carolina state income tax is based on federal taxable income; taxpayers who itemized deductions when calculating their federal income tax must add back the deduction for state income when calculating their North Carolina income tax.

### South Carolina

South Carolina state income tax is based on federal taxable income; taxpayers who itemized deductions when calculating their federal income tax must add back the deduction for state income and state sales taxes when calculating their South Carolina income tax.





## State Individual Income Taxes: Treatment of Select Itemized Deductions, 2006

State	Federal Income Tax	State General Sales Tax	State Personal Property Tax	Interest Expenses	Medical Expenses	Charitable Contributions	Mortgage Interest	Casualty Losses
<b>FEDERAL *</b>	<b>N</b>	<b>Y<sup>a</sup></b>	<b>Y</b>	<b>Y<sup>b</sup></b>	<b>Y<sup>c</sup></b>	<b>Y<sup>d</sup></b>	<b>Y<sup>e</sup></b>	<b>Y<sup>f</sup></b>
Alabama *	Y	N	Y	Y	Y	Y	Y	Y
Alaska	<b>NO STATE INCOME TAX</b>							
Arizona *	N	Y	Y	Y	Y	Y	Y	Y
Arkansas	N	N	Y	Y	Y	Y	Y	Y
California *	N	N	Y	Y	Y	Y	Y	Y
Colorado *	<b>STARTING POINT FOR COLORADO TAXABLE INCOME IS FEDERAL TAXABLE INCOME</b>							
Connecticut	<b>ITEMIZED DEDUCTIONS ARE NOT PERMITTED</b>							
Delaware *	N	N/A	N/A	Y	Y	Y	Y	Y
District of Columbia *	N	N	Y	Y	Y	Y	Y	Y
Florida	<b>NO STATE INCOME TAX</b>							
Georgia *	N	Y	Y	Y	Y	Y	Y	Y
Hawaii *	N	Y	Y	Y	Y	Y	Y	Y
Idaho *	N	N	Y	Y	Y	Y	Y	Y
Illinois	<b>ITEMIZED DEDUCTIONS ARE NOT PERMITTED</b>							
Indiana	<b>ITEMIZED DEDUCTIONS ARE NOT PERMITTED</b>							
Iowa *	Y (see notes)	N	Y	Y	Y	Y	Y	Y
Kansas *	N	Y	Y	Y	Y	Y	Y	Y
Kentucky *	N	N	Y	Y	Y	Y	Y	Y
Louisiana *	Y (see notes)	Y	Y	Y	Y	Y	Y	Y
Maine *	N	N	Y	Y	Y	Y	Y	Y
Maryland *	N	Y	Y	Y	Y	Y	Y	Y
Massachusetts *	N	N	N	N	N	N	N	N
Michigan	<b>ITEMIZED DEDUCTIONS ARE NOT PERMITTED</b>							
Minnesota *	<b>STARTING POINT FOR MINNESOTA TAXABLE INCOME IS FEDERAL TAXABLE INCOME</b>							
Mississippi	N	Y	Y	Y	Y	Y	Y	Y
Missouri *	N	Y	Y	Y	Y	Y	Y	Y
Montana *	Y	N/A	Y	Y	Y	Y	Y	Y
Nebraska *	N	N	Y	Y	Y	Y	Y	Y
Nevada	<b>NO STATE INCOME TAX</b>							

New Hampshire	ITEMIZED DEDUCTIONS ARE NOT PERMITTED							
New Jersey *	N	N	Y	N	Y	N	N	N
New Mexico *	N	Y	Y	Y	Y	Y	Y	Y
New York *	N	Y	Y	Y	Y	Y	Y	Y
North Carolina *	STARTING POINT FOR NORTH CAROLINA TAXABLE INCOME IS FEDERAL TAXABLE INCOME							
North Dakota	STARTING POINT FOR NORTH DAKOTA TAXABLE INCOME IS FEDERAL TAXABLE INCOME							
Ohio	STARTING POINT FOR OHIO TAXABLE INCOME IS FEDERAL TAXABLE INCOME							
Oklahoma	N	Y	Y	Y	Y	Y	Y	Y
Oregon *	N	N/A	Y	Y	Y	Y	Y	Y
Pennsylvania	ITEMIZED DEDUCTIONS ARE NOT PERMITTED							
Rhode Island *	N	Y	Y	Y	Y	Y	Y	Y
South Carolina *	STARTING POINT FOR SOUTH CAROLINA TAXABLE INCOME IS FEDERAL TAXABLE INCOME							
South Dakota	NO STATE INCOME TAX							
Tennessee	ITEMIZED DEDUCTIONS ARE NOT PERMITTED							
Texas	NO STATE INCOME TAX							
Utah *	Y (50%)	N	Y	Y	Y	Y	Y	Y
Vermont	STARTING POINT FOR VERMONT TAXABLE INCOME IS FEDERAL TAXABLE INCOME							
Virginia *	N	Y	Y	Y	Y	Y	Y	Y
Washington	NO STATE INCOME TAX							
West Virginia	ITEMIZED DEDUCTIONS ARE NOT PERMITTED							
Wisconsin	ITEMIZED DEDUCTIONS ARE NOT PERMITTED							
Wyoming	NO STATE INCOME TAX							

N/A = tax is not levied at the state-level

\* = See Notes

Notes :

**FEDERAL**

- a. State general sales tax can only be deducted if the taxpayer elects not to deduct state income taxes.
- b. Personal interest expenses (e.g. the interest paid on a loan to secure a car for recreational use) cannot be deducted.
- c. Medical deductions are limited to expenses greater than 7.5% of federal adjusted gross income.
- d. Charitable contributions in excess of 20% of federal adjusted gross income may be limited depending on the type of contribution and the recipient organization.
- e. Mortgage interest is fully deductible only if it falls into one or more of the following three categories:
  1. The mortgage was secured on or before October 13, 1987 (grandfathered debt).
  2. The mortgage was secured after October 13, 1987 and used to buy, build, or improve the home, but only if this mortgage plus any grandfathered debt totaled \$1 million or less throughout 2006. The limit is \$500,000 if the tax filer is married filing separately.
  3. The mortgage was secured after October 13, 1987 and used for a purpose other than to buy, build, or improve the home, but only if this mortgage totaled \$100,000 or less throughout 2006, and all mortgages on the home totaled no more than its fair market value. The limit is \$50,000 if the taxpayer is married filing separately.

f. Casualty deductions are equal to the lesser of 1) the decrease in fair market value as a result of the casualty minus \$100 or 2) the adjusted basis in the property before the casualty minus \$100.

*(For detailed information regarding the federal treatment of itemized deductions, see IRS Tax Topic 500 available at <http://www.irs.gov/taxtopics/tc500.html>)*

### **Alabama**

Medical deductions are limited to expenses greater than 4% of Alabama adjusted gross income. The loss on personal property must be reduced by 10% of Alabama adjusted gross income. All taxpayers, including those who are not itemizing deductions, may deduct federal income taxes from their Alabama state return.

### **Arizona**

Arizona follows the federal treatment of itemized deductions; however, all medical expenses are fully deductible.

### **California**

California follows the federal treatment of itemized deductions; however, state general sales tax is not deductible.

### **Colorado**

Colorado state income tax is based on federal taxable income; taxpayers who did not itemize deductions when calculating their federal income tax may not itemize deductions for Colorado income tax purposes. For those who did itemize deductions on the federal level, they must add back the deduction for state income taxes when calculating their Colorado income tax.

### **Delaware**

Delaware follows the federal treatment of itemized deductions; however the following increases to the federal deductions must be made when calculating the deductions for the state: (1) the amount equal to the excess of the state employee automobile mileage reimbursement allowance over the standard mileage rate allowed as a charitable deduction for federal income tax purposes for unreimbursed automobile transportation expense incurred while serving as a volunteer for a charitable organization as defined in IRC Sec. 170(c), and (2) the amount paid by a self-employed taxpayer for medical care insurance for the taxpayer, the taxpayer's spouse or dependents, less the amount allowed for federal purposes to self-employed individuals and shareholders of S corporations as a deduction for medical insurance costs (IRC Sec. 162).

### **District of Columbia**

District of Columbia follows the federal treatment of itemized deductions; however, District general sales tax is not deductible.

### **Georgia**

Georgia follows the federal treatment of itemized deductions.

### **Hawaii**

Hawaii follows the federal treatment of itemized deductions.

### **Idaho**

Idaho follows the federal treatment of itemized deductions; however, state general sales tax is not deductible.

### **Iowa**

All taxpayers, including those who are not itemizing deductions, may deduct federal income taxes from their Iowa state return.

### **Kansas**

Kansas follows the federal treatment of itemized deductions.

### **Kentucky**

Kentucky follows the federal treatment of itemized deductions; however, state general sales tax is not deductible. Artistic charitable contributions are allowed as adjustments to income if not itemizing.

### **Louisiana**

All taxpayers, including those who are not itemizing deductions, may deduct federal income taxes from their Louisiana state return.

### **Maine**

Maine follows the federal treatment of itemized deductions; however, state general sales tax is not deductible.

### **Maryland**

Maryland follows the federal treatment of itemized deductions. For individuals whose adjusted gross income exceeds \$100,000 (\$50,000 in the case of a separate return by a married individual), the amount of the itemized deductions otherwise allowable must be reduced by the lesser of 3% of the excess of adjusted gross income over the applicable amount, or 80% of the amount of the itemized deductions otherwise allowable for the taxable year.

### **Massachusetts**

Massachusetts does not allow for any of the selected itemized deductions; however, it does provide a limited set of deductions including a deduction for Social Security taxes and disabled dependent care.

### **Minnesota**

Minnesota state income tax is based on federal taxable income; taxpayers who itemized deductions when calculating their federal income tax must add back the deduction for state income and state sales taxes when calculating their Minnesota income tax.

### **Missouri**

Missouri follows the federal treatment of itemized deductions; however the following increases to the federal deductions must be made when calculating the deductions for the state: (1) the value of a literary, musical, scholarly or artistic composition contributed to a nonprofit organization operated by any taxpayer whose efforts created the composition less the federal adjusted gross income deduction for the contribution and by (2) any amount of Social Security, railroad retirement system or self-employed taxes paid, to the extent that such taxes were not deducted in the computation of the taxpayer's federal adjusted gross income (Sec. 143.141, RSMo).

### **Montana**

Montana follows the federal treatment of itemized deductions with the exception of premium payments for medical care and long-term care insurance, which are not deductible.

### **Nebraska**

Nebraska follows the federal treatment of itemized deductions; however, state general sales tax is not deductible. Some exceptions to the allowable itemized deductions apply at higher income levels.

### **New Jersey**

Medical deductions are limited to expenses greater than 2% of gross income.

### **New Mexico**

New Mexico follows the federal treatment of itemized deductions.

### **New York**

New York follows the federal treatment of itemized deductions; however the New York itemized deductions must be reduced by the sum of (1) an amount equal to the New York itemized deduction multiplied by a percentage (such percentage to be determined by multiplying 25% by a fraction, in the case of an unmarried individual or married individual filing separately, the numerator of which is the lesser of \$50,000 or the excess of the individual's New York adjusted gross income over \$100,000 and the denominator of which is \$50,000, in the case of a married individual filing jointly or a surviving spouse, the numerator of which is the lesser of \$50,000 or the excess of the individual's New York adjusted gross income over \$200,000 and the denominator of which is \$50,000, and in the case of a head of household, the numerator of which is the lesser of \$50,000 or the excess of the individual's New York adjusted gross income over \$150,000 and the denominator of which is \$50,000) and (2) an amount equal to the New York itemized deduction of an individual multiplied by a percentage (the percentage to be determined by multiplying 25% by a fraction, the

numerator of which is the lesser of \$50,000 or the excess of the individual's New York adjusted gross income over \$475,000 and the denominator of which is \$50,000) (Ch. 60, Sec. 615).

### **North Carolina**

North Carolina state income tax is based on federal taxable income; taxpayers who itemized deductions when calculating their federal income tax must add back the deduction for state income when calculating their North Carolina income tax.

### **Oregon**

Oregon follows the federal treatment of itemized deductions.

### **Rhode Island**

Rhode Island follows the federal treatment of itemized deductions.

### **South Carolina**

South Carolina state income tax is based on federal taxable income; taxpayers who itemized deductions when calculating their federal income tax must add back the deduction for state income and state sales taxes when calculating their South Carolina income tax.

### **Utah**

All taxpayers, including those who are not itemizing deductions, may deduct 50% of federal income taxes from their Utah state return.

### **Virginia**

Virginia follows the federal treatment of itemized deductions.

### **Sources :**

*CCH Tax Research NetWork*

*State Individual Income Tax Codes*