**OVERNIEW OF INDIVIDUAL DEDUCTIONS**

**Activity Deduct Above Line Deduct Below Line Nondeductible**

1. Profit - Trade/Business ▪Allowed Direct Expenses ▪Qualified Business ▪Disallowed (such as

Expenses/Losses ▪Indirect Allowed Expenses Income Deduction unreimbursed employee

▪Flow-through allowed Net (20%) expenses, entertainment)

Income/Loss

▪Loss on Asset Sales

2. Profit-Investment ▪Allowed Direct Rent/Royalty Exp. ▪Investment Interest ▪Other Investment Expenses-

Expenses/Losses (subject to additional limitations) Expenses/Subject to Post - 2017

▪Flow Through Allowed Net Income/ Limitation)

Loss (Subject to Additional

Limitations)

▪Loss on Net Asset Sales to

$3,000 limit.

3. Personal Expenses/ ▪Subsidized Activities: ▪Option (Greater of): ▪All Other – Disallowed

Losses (1) Interest on Educational (1) Standard Deduction Personal Expenses

Loans (Limited) (2) Allowed Expenses:

(2) Alimony on Pre-2019 Certain:

Decree ▪ Medical

▪ Taxes

▪ Interest

▪ Charitable Contributions