

MAGI Deductions Guide for Stakeholders

These deductions are only allowable when they belong to someone in the tax filing unit or in the household (for non-filers).

Deduction Type	Explanation of Allowable Deductions	Maximum Amount
Student Loan Interest	<p>Deduction for interest paid on student loans. Loans must have been used for qualifying educational expenses while attending an educational institution. Principle payments are not deductible.</p> <p>The loan payments must be for the individual, their spouse, or their tax dependents (for tax filers) or their children in the household (for non-filers).</p>	<p>\$2500/year</p> <p>\$208.33/month</p>
Student Tuition	<p>Deduction for Qualified Educational Expenses (added back by Taxpayer Certainly and Disaster Relief Act of 2019)</p> <p>Taxpayers with modified adjusted gross income (MAGI) up to \$65,000, or up to \$130,000 if you are a married joint-filer, can deduct qualified expenses up to \$4,000.</p> <p>Taxpayers with MAGI between \$65,001 and \$80,000, or between \$130,001 and \$160,000 if you're a married joint filer, can deduct up to \$2,000</p> <p>The allowable deduction goes to zero if your MAGI is more than \$80,000 for an individual or \$160,000 if you are a married joint filer.</p>	<p>Up to \$4000/year for joint filers with incomes between \$65,000 and \$130,000 per year</p> <p>Up to \$2,000/year for individuals with incomes of \$65,001-\$80,000 or joint filers between \$130,001 - \$160,000 per year</p>
Moving Expenses for members of the Armed Forces	<p>Deductions for members of the Armed Forces on active duty and due to a permanent military order move.</p>	Variable
Spousal Support/Alimony	<p>Deduction for court ordered spousal support/alimony with a court order date prior to 1/1/2019. Does not include voluntary alimony payments or child support payments.</p>	Variable
Health Savings Account	<p>Deductions for contributions made to a pre-tax or tax-deductible health savings account designated for medical related expenses.</p> <p>Prospective limits for 2021 are \$3,600 and \$7,200, respectively.</p>	<p>Individual \$3,550/year or \$291.66/month</p> <p>Family \$7,100/year or \$591.67/month Add an additional \$1,000/year if the individual is age 55 or older</p>
Pre-Tax Retirement	<p>Deduction for contributions made to a pre-tax retirement account.</p>	Age 49 or below \$6,000/year or

Account	<p>Excludes the following contributions:</p> <ul style="list-style-type: none"> • Roth IRA - contributions are after-tax and are not deductible as taxes are paid up front <p>SIMPLE IRA - contributions are made pre-tax and thus, not deductible</p>	<p>\$500.00/month per individual; Age 50 or older \$7,000/year or \$583.33/month per individual</p>
Self-Employment Tax	<p>Deduction for tax paid to the federal government to fund Medicare and Social Security for self-employed individuals who net more than \$400 per year or employees of churches or church organizations with income of more than \$108.28 per year.</p>	<p>Variable</p>
Self-Employment Retirement Plan	<p>Deduction for contributions made to a self-employment retirement plan including SEP, Simple, or Qualified Plan</p>	<p>Variable</p>
Self-Employment Health Insurance	<p>Deduction for contributions made to self-employment health insurance plans.</p>	<p>Variable</p>
Educator Expenses	<p>Deduction for expenses for unreimbursed educator expenses (e.g. books, supplies, and other equipment).</p> <p>The individual must be a licensed educator (teaching K-12 and works 900+ hours per school year).</p>	<p>\$250/year per educator \$20.83/month per educator</p>
Penalty on Early Withdrawal of Savings	<p>Deduction for penalty on withdrawal of funds from a certificate of deposit or other deferred interest account before maturity.</p>	<p>Variable</p>
Certain Claimable Business Expenses of U.S. Reservists, Performing Artists, and Fee-Based Government Officials	<p>Deduction for U.S. reservists, performing artists, or fee-based government employees who have expenses necessary for their job, including travel of more than 100 miles.</p>	<p>Variable</p>