

2004 Tax Deduction for Educator Expenses

Adjusted Gross Income

Line 23 Educator Expenses

If you were an eligible educator in 2004, you can deduct up to \$250 of qualified expenses you paid in 2004. If you and your spouse are filing jointly and both of you were eligible educators, the maximum deduction is \$500. However, neither spouse can deduct more than \$250 of his or her qualified expenses. An eligible educator is a kindergarten through grade 12 teacher, instructor, counselor, principal, or aide in a school for at least 900 hours during a school year.

Qualified expenses include ordinary and necessary expenses paid in connection with books, supplies, equipment (including computer equipment, software, and services), and other materials used in the classroom. An ordinary expense is one that is common and accepted in your educational field. A necessary expense is one that is helpful and appropriate for your profession as an educator. An expense does not have to be required to be considered necessary.

Qualified expenses do not include expenses for home schooling or for nonathletic supplies for courses in health or physical education. You must reduce your qualified expenses by the following amounts.

- Excludable U.S. series EE and I savings bond interest from Form 8815.
- Nontaxable qualified tuition program earnings.
- Nontaxable earnings from Coverdell education savings accounts.
- Any reimbursements you received for these expenses that were not reported to you in Form W-2, box 1.

For more details, use TeleTax topic 458 (see page 8).

Eligible educators may deduct up to \$250 of qualified expenses, including books, supplies, equipment and other materials used in the classroom.

If you're not getting this kind of money-saving information from your investment professional, maybe its time to work with a firm that specializes in helping school employees to plan for the future.

is an approved provider in your school district. Contact us today and start receiving *all* of the information that is important to you.

For a free financial review, call:

Educator expenses can be deducted on Line 23 of Form 1040 or Line 23 of Form 1040A. This deduction is not available on Form 1040EZ. See excerpt on left from IRS 2004 1040 Instructions.

Local Office: