

Many Taxpayers Adding Instead of Subtracting

Officials at the Internal Revenue Service Center in Ogden, Utah have noted that a substantial number of taxpayers are "... adding when they should be subtracting ..." on their Federal Income Tax Returns.

"These taxpayers are mis-

reading instructions on Form 1040 Schedule A concerning casualty or theft losses," officials said.

They are adding the total insurance reimbursement for such a loss (Line 27) and the \$100 limitation (Line 28) to their actual loss (Line 26) and claiming the combined total as their casualty or theft loss.

This, according to Service Center officials, is incorrect and causes direct correspondence with the taxpayer, thus delaying processing of the tax return.

The correct method of determining the total casualty or theft loss is to add the total insurance reimbursement paid to the taxpayer (Line 27) and the \$100 limitation (Line 28) together, then subtract the sum from the total loss (Line 26).

Service Center officials also note that other taxpayers who have no casualty or theft loss to claim are erroneously computing the \$100 limitation

(Line 28), which is pre-printed on all Form 1040 Schedule A's, into their total itemized deductions.

"The Line 28 limitation is to be used only when claiming a

theft or casualty loss," officials said.
