

# 2021 Virginia Schedule A Itemized Deductions

Generally, line items on Virginia Schedule A are defined in federal law and explained in the instructions for federal Schedule A (Form 1040) and instructions for federal Schedule A. Some exceptions apply and are explained in these instructions.

## General Information

Use Virginia Schedule A to determine your itemized deductions. **You must claim the same type of deductions (standard or itemized) on your Virginia return as you claimed on your federal return. As a result, you may not claim itemized deductions on your Virginia return if you claimed the standard deduction on your federal return.**

Enclose the Virginia Schedule A with your return when filing Forms 760, 760PY, or 763.

If a joint federal return was filed and you are filing separate returns in Virginia, itemized deductions that cannot be accounted for separately must be allocated proportionately between spouses based on each spouse's share of the combined federal adjusted gross income.

Part-year residents should complete the computation using only the deductions for which the underlying expense payments were made during their period of residency in Virginia.

Do not include on Schedule A items deducted elsewhere, such as on Schedules ADJ, 760PY ADJ, or 763 ADJ. See the Form 760 Resident Individual Income Tax Booklet for information regarding additional deductions.

## Fixed Date Conformity

Complete the FDC Worksheet before completing the Virginia Schedule A. If you have an addition (Schedule ADJ, Line 2a) or subtraction (Schedule ADJ, Line 6a) for Fixed Date Conformity, refer to the FDC Worksheet to compute your Fixed Date Conformity Federal Adjusted Gross Income. Use the amount on Line 5 of the FDC Worksheet, rather than your Federal Adjusted Gross Income, to compute your Virginia limitations. If you do not have any additions or subtractions related to Fixed Date Conformity, continue to use your Federal Adjusted Gross Income to compute your limitation for these deductions.

For taxable years beginning on or after January 1, 2019, Virginia deconforms from the increase in the medical expense deduction and the suspension of the overall limitation on itemized deductions, commonly known as the Pease limitation.

## Line Item Exceptions

**Medical Expense Deduction.** For Virginia purposes, you are allowed a medical expense deduction only for qualified expenses that exceed 10 percent of federal adjusted gross income.

**Real and Personal Property Taxes.** For taxable years beginning on or after January 1, 2019, taxpayers may claim a deduction for the actual amount of real and personal property taxes imposed by Virginia or any other taxing jurisdiction not otherwise deducted solely on account of the \$10,000 annual limitation on the federal deduction for state and local taxes paid.

**General Sales Taxes You Paid.** For Virginia purposes, if you are claiming a deduction for general sales taxes instead of income taxes, your deduction is subject to the \$10,000 federal limitation. As a result, you must fill in the oval and enter on Line 5a the smaller of the state and local sales taxes paid by you during the taxable year or \$10,000 (or \$5,000 if married filing separately).

**Total Itemized Deductions.** For Virginia purposes, your total itemized deductions may be subject to an overall limitation on itemized deductions (Pease limitation) that has been suspended for federal purposes. If the amount on Line 1 of Forms 760, 760PY, or 763 exceeds \$334,150 if filing jointly or qualifying widow(er), \$306,300 if head of household, \$278,450 if single, or \$167,075 if married filing a separate return, use the Limited Itemized Deduction Worksheet to compute your itemized deduction limitation and state and local income tax modification. If you claimed a deduction for foreign income taxes on Line 6 of the Virginia Schedule A, enter on Line 13 of the Limited Itemized Deduction Worksheet the sum of such foreign income taxes and the state and local income tax from Virginia Schedule A, Line 5a (not to exceed \$10,000 or \$5,000 if married filing separately on the Virginia return).

If your filing status is different for federal and Virginia purposes, use the following rules when completing the Limited Itemized Deduction Worksheet. Complete Lines 1-11 of the worksheet based upon your federal filing status as though you were a Virginia resident for the entire taxable year and skip 12(a). Complete Line 12(b) instead. Enter on Line 12(b) those itemized deductions that you may claim on your Virginia Schedule A, except the amount you include from Line

5a of Virginia Schedule A may not exceed \$10,000 or \$5,000 if your federal filing status is married filing separately. The amount from Line 5a of Schedule A entered on Line 13 of the worksheet is also limited to \$10,000 or \$5,000 if your federal filing status is married filing separately. Note that taxpayers filing Form 760PY (part-year residents) must enter only amounts paid while a Virginia resident when completing lines 12-13 on the worksheet. Next, complete Lines 14-15 of the Limited Itemized Deduction Worksheet as instructed on the worksheet.

**Reduction for State and Local Income Taxes.**

For Virginia income tax purposes, federal itemized deductions are reduced by the amount of income taxes imposed by Virginia or any other taxing jurisdiction and reported as an itemized deduction. Generally, enter on Line 18 the amount from Line 5a. Therefore, for most taxpayers, Line 18 should equal Line 5a.

However, there are three situations where Line 18 may not equal Line 5a. First, if you completed the

limited itemized deduction worksheet, your total on Line 17 was limited, and you should enter on Line 18 the amount from Part B, Line 15 of the limited itemized deduction worksheet. Second, if you filled in the oval on Line 5a because you are claiming a deduction for general sales taxes instead of income taxes, enter zero on Line 18. Third, if you claimed a deduction for foreign income taxes on Line 6, follow the instructions regarding Foreign Income Taxes.

If state and local income tax is the only federal itemized deduction you are claiming on the Virginia return, enter zero on Form 760, Line 10.

**Foreign Income Taxes.** If you claimed a deduction for foreign income taxes on Line 6, list the amount and fill in the bubble. Enter on Line 18 the amount of foreign income tax deduction, plus any amounts from Line 5a. If your total on Line 17 was limited, enter on Line 18 the amount from Part B, Line 15 of the limited itemized deduction worksheet.