

NEW 2004 INCOME TAX DEDUCTION – SALES TAX PAID

Please consider the following when gathering your 2004 income tax data-

For 2004 & 2005, taxpayers may elect to either deduct state and local income tax paid or general state and local sales taxes paid. If they elect to deduct the general state and local sales taxes paid, they may either claim the total amount paid by substantiation with receipts or claim the amount from IRS tables **plus** the amounts of general state and local sales taxes paid on the purchase of a motor vehicle, boat or other items to be determined by the IRS.

Even if you pay substantial state and local income taxes, there will be circumstances when the sales tax deduction may benefit you. If you purchased or leased a car or boat in 2004 please indicate the amount of sales tax you paid when you submit your 2004 income tax data.

Please call if you have any questions.

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