

Subject 507

Limitations if AGI Over Certain Amount

Taxpayers whose adjusted gross income exceeds a certain dollar amount are subject to additional limitations on itemized deductions. The limitation amounts for 2007 are \$156,400 (\$78,200 if filing status 1, 3, 5 or 6).

If your itemized deductions are subject to the limitation, use the Worksheet for Total Itemized Deductions.

Certain itemized deductions are not affected by this limitation. The deductions that are not affected are: medical and dental expenses, investment interest expense, non-business casualty and theft losses, and gambling losses.