

Common Tax Benefits Reference Guide

This guide provides a quick reference to common tax deductions and credits that may be relevant to your financial situation.

Tax Deduction

Tax Credit

Education-Related Tax Benefits

Benefit Name	Type	Maximum Benefit	Key Eligibility Requirements	When This Might Apply To You
American Opportunity Credit	Credit (partially refundable)	\$2,500 per eligible student	<ul style="list-style-type: none"> First 4 years of post-secondary education Enrolled at least half-time Income limits: Phases out between \$80,000-\$90,000 (single), \$160,000-\$180,000 (married) 	You're in your first four years of college or vocational school and paying for tuition, fees and course materials
Lifetime Learning Credit	Credit (nonrefundable)	\$2,000 per tax return	<ul style="list-style-type: none"> Any post-secondary education, including graduate courses and professional development No half-time enrollment requirement Income limits: Phases out between \$80,000-\$90,000 (single), \$160,000-\$180,000 (married) 	You're taking classes beyond your first four years of college, attending graduate school, or taking courses to improve job skills.
Student Loan Interest Deduction	Deduction (above-the-line)	Up to \$2,500	<ul style="list-style-type: none"> Interest paid on qualified student loans Income limits: Phases out between \$75,000-\$90,000 (single), \$155,000-\$185,000 (married) Can claim even if not itemizing 	You're repaying student loans used for qualified education expenses.
Tuition and Fees Deduction	Deduction (above-the-line)	Up to \$4,000	<ul style="list-style-type: none"> Qualified education expenses Cannot claim if taking American Opportunity or Lifetime Learning Credit Income limits apply 	You're paying for qualified education expenses and the deduction provides more benefit than education credits.

Work and Income-Related Tax Benefits

Benefit Name	Type	Maximum Benefit	Key Eligibility Requirements	When This Might Apply To You
Earned Income Tax Credit (EITC)	Credit (refundable)	\$560 to \$7,430 (2023) depending on filing status and number of children	<ul style="list-style-type: none"> • Must have earned income • Income limits vary by filing status and number of qualifying children • Must be at least age 25 if no qualifying children 	You're working but earning a low to moderate income, especially if you have children.
Child Tax Credit	Credit (partially refundable)	Up to \$2,000 per qualifying child	<ul style="list-style-type: none"> • Child must be under 17 at the end of the tax year • Child must be your dependent • Income limits apply 	You have children under 17 who qualify as your dependents.
Child and Dependent Care Credit	Credit (nonrefundable)	Up to \$1,050 for one qualifying person or \$2,100 for two or more	<ul style="list-style-type: none"> • Care must be for a qualifying dependent under 13 • Must have earned income • Care must enable you to work or look for work 	You pay for childcare or adult dependent care while you work or look for work.
Educator Expenses	Deduction (above-the-line)	Up to \$300	<ul style="list-style-type: none"> • Must be a K-12 teacher, instructor, counselor, principal, or aide • Must work at least 900 hours during the school year • Expenses for classroom supplies and materials 	You're a teacher who spends your own money on classroom supplies.

Housing and Homeownership Tax Benefits

Benefit Name	Type	Maximum Benefit	Key Eligibility Requirements	When This Might Apply To You
Mortgage Interest Deduction	Deduction (itemized)	Interest on up to \$750,000 of mortgage debt	<ul style="list-style-type: none"> Must itemize deductions Home must be a qualified residence (primary or second home) Limit is \$750,000 for loans taken after 12/15/2017 (\$1 million for earlier loans) 	You own a home and mortgage interest, and itemized deductions exceed the standard deduction.
Property Tax Deduction	Deduction (itemized)	Part of \$10,000 SALT limit	<ul style="list-style-type: none"> Must itemize deductions Combined with state and local income taxes, limited to \$10,000 total 	You pay property tax on your home, and your itemized deductions exceed the standard deduction.
Residential Energy Efficient Property Credit	Credit (nonrefundable)	Up to 30% of costs	<ul style="list-style-type: none"> Solar electric, solar water heating, fuel cell, small wind energy, and geothermal heat pump installations Must be installed in your principal residence (except solar, which can be on any residence) 	You make qualifying energy-efficient improvements to your home.

Retirement and Savings Tax Benefits

Benefit Name	Type	Maximum Benefit	Key Eligibility Requirements	When This Might Apply To You
Traditional IRA Contribution	Deduction (above-the-line)	Up to \$6,500 (\$7,500 if 50 or older)	<ul style="list-style-type: none"> Must have earned income Deductibility phases out at higher incomes if covered by workplace retirement plan 	You're saving for retirement and want to reduce your current liability.
Saver's Credit (Retirement Savings Contributions Credit)	Credit (nonrefundable)	10%, 20%, or 50% of contributions up to \$2,000 (\$4,000 if married)	<ul style="list-style-type: none"> Income limits: Below \$36,500 (single), \$73,000 (married) Must be at least 18 years old Not a full-time student Not claimed as a dependent 	You have low to moderate income and are saving for retirement in a qualified retirement plan.
Health Savings Account (HSA) Contribution	Deduction (above-the-line)	Up to \$3,850 (individual) or \$7,750 (family)	<ul style="list-style-type: none"> Must be enrolled in a high-deductible health plan (HDHP) Cannot be enrolled in Medicare Cannot be claimed as a dependent 	You have a high-deductible health plan and want to save for medical expenses with triple tax advantages.

Health and Medical Tax Benefits

Benefit Name	Type	Maximum Benefit	Key Eligibility Requirements	When This Might Apply You
Medical Expense Deduction	Deduction (itemized)	Medical expenses exceeding 7.5% of AGI	<ul style="list-style-type: none"> • Must itemize deductions • Only expenses exceeding 7.5% of AGI are deductible • Must be qualified medical expenses 	You have significant med expenses in a year, exce 7.5% of your AGI.
Premium Tax Credit	Credit (refundable)	Varies based on income and premium cost	<ul style="list-style-type: none"> • Purchase health insurance through the Marketplace • Income between 100% and 400% of federal poverty level • Not eligible for affordable employer coverage or government program 	You purchase health insurance through the Marketplace and meet in requirements.

Note: This guide is for educational purposes only and reflects 2023 tax information. Tax laws, limits, and eligibility require change regularly. For specific tax advice, consult a qualified tax professional.

PFL Academy - Chapter 2.4: Understanding Tax Deductions and Credits