15 Tax Breaks You Might Be Missing Out On

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This year, don't get mad at the tax man. Instead, devise a plan to find as many secret tax deductions as you can. Here's a roundup of 15 of the most commonly overlooked tax breaks in hopes that the more you know, the less you'll pay when you file your taxes by this April 18.

1. Alimony
Breaking up is hard to do, but it can be tough on your pocket book, too — particularly if you're responsible for making spousal support payments. The good news: Alimony is a secret tax write-off filers might not know about.

"Alimony payments are a hard-fought battle in many divorces, and no one wants to pay them," said Michael Eckstein of Eckstein Tax Services in Huntington, N.Y. "But, for the person stuck paying them, they're tax deductible."

To qualify to deduct spousal support payments, you and your ex must be legally separated and live in separate homes. The payment must not be considered as child support or as part of a property settlement.

2. Miles Driven Between Jobs
"If you drive your car between two different employers, that mileage is deductible, provided you drive from one employer location to a different employer location," said Kenneth Reid of MasterType Accounting and Business Services in Chicago, Ill. If you work a day job at General Electric, for example, but after work head over to Target for your part-time gig, that mileage can be deductible.

"If you drive your vehicle while at work for your employer, this mileage is deductible," added Reid. "For example, you work in an office, and you are required to drive to the office supply store to purchase office supplies, or if you are required to drive your vehicle to make deliveries to customers while on the clock."

Still, miles spent commuting are not deductible. The standard business mileage deduction for 2015 is 57.5 cents.

3. Uniforms
Wearing a uniform to work might not be fun, but it can add a boost to your tax return when April rolls around. It's one of the hidden tax breaks many workers don't know about.

"Many times, people are required to purchase uniforms that are only appropriate to wear at work. The cost of these uniforms and the cost of cleaning the uniforms are both deductible," said Reid.

To deduct the cost and upkeep of work clothes, they must be worn as a condition of employment, and can't be considered suitable for everyday wear. A button-down shirt and a tie probably won't qualify. However, scrubs, police officer uniforms and hard hats likely will.

4. Tools and Supplies

"Some people are required to purchase tools in order to perform their jobs, and the cost of the tools are deductible," said Reid. That is, so long as the cost incurred totals at least 2 percent of your adjusted gross income for the year.

Auto mechanics, construction workers and landscape architects can easily incur expenses that exceed the 2 percent threshold. So can teachers, who "often must purchase school supplies in order to do their job," said Reid, who added that teachers do receive a small $250 deduction for the purchase of school supplies. Even so, that "deduction is often far less than what the teacher actually spends for the school supplies that are needed throughout the school year."

5. Investment-Related Fees

There are certain secret tax breaks for those who work with a financial professional, so long as those investment expenses exceed 2 percent of the taxpayer's adjusted gross income.

"A typical client who uses a financial planner or investment advisor can deduct IRA custodial fees, investment advisory fees, safety deposit box fees — if the box is used to store investment-related storage — and even transportation costs to your investment advisor's office," said Matt Hylland, financial planner and investment advisor for Hylland Capital Management.

You can also deduct the cost of tax advice and preparation, as well as losses on traditional or Roth IRAs (upon distribution). In addition, any legal fees incurred while collecting taxable income or getting tax advice can also be deducted.

6. Local and Sales Taxes

There are even hidden tax breaks for your local or sales tax paid during the year. "You're permitted to deduct state or sales tax on your federal return," said Ryan Saltz, Esq., licensed tax professional at Tax Defense Network. "This can be incredibly helpful, particularly if your state does not tax your income." Note, however, that you can't deduct both.

If you're not sure which deduction would be a better bet, the IRS offers a sales tax deduction calculator, so you can estimate your spending tax. You'll need a record of your receipts to prove your spending and the sales tax you paid throughout the year.

7. Gambling Losses

What happens in Vegas might stay in Vegas, but the good news for gamblers is that they can bring home hidden tax breaks from any losses incurred.

"Since hardly anyone makes money gambling, people often forget that casinos will send them a W-2G as income for their gambling winnings," said Micah Fraim, independent CPA in Roanoke, Va. "To offset this, taxpayers can also deduct losses on their Schedule A, up to the extent of their winnings."

Still, you can only deduct gambling losses to offset winnings during the same year. "You don't get a tax break for getting too optimistic at the poker table," he said.

8. Moving Expenses
Relocation costs are a bear, but if you're moving for work, you might be the beneficiary of one or more of these secret tax write-offs. "If the new job is at least 50 miles farther from your old home to your old job, then it is very possible that the expenses are deductible," said Fraim.

Deductible expenses include the cost of packing and transporting furniture, appliances, even your household pet. It also includes travel and storage expenses, so long as they're incurred within a specified window of time.

"But beware," said Fraim. "The IRS has several stipulations, such as staying and working in the location for 39 weeks during the first 12 months of your arrival." You also can't deduct any expenses that are reimbursed by your employer. No double-dipping allowed.

9. Private Mortgage Insurance Premiums
Most homeowners know they can write off real estate taxes and mortgage interest from their home. What they might not realize is that they can also get a tax break on their private mortgage insurance premium, which most borrowers pay if they put down less than 20 percent of the purchase price when they bought their home.

"That deduction can be anywhere from $50 to $200 per month on a loan in the neighborhood of $250,000," said David Hryck, tax lawyer and partner with Reed Smith. The deduction starts to phase out at an adjusted gross income of $100,000 for most taxpayers.

10. Savings for Individuals With Disabilities
"In the past, disabled persons could not accumulate more than $2,000 in assets," said ZM Ishmurzina, CPA and partner with Artio Partners. "Otherwise, they would be disqualified from receiving Social Security benefits and Medicaid."

Last year, the Achieving a Better Life Experience (ABLE) act was introduced, which lets any taxpayer, such as one's parents, contribute up to $14,000 per year in the account of a disabled person. Contributions are made with after-tax dollars, but qualified distributions are tax free.

"The ABLE account allows disabled taxpayers to accumulate up to $102,000 without risk of disqualification," said Ishmurzina. "A person must have become blind or severely disabled before turning age 26 in order to qualify."

11. Hosting a Foreign Exchange Student
If you've hosted an international student while they studied in the U.S., there's a tax break for that. You can deduct $50 for any month when an exchange student lives in your home for 15 days or more.

To qualify, it "requires an official agreement with a sponsoring organization, and the student must be a full-time high school or secondary school student — and not a member of your family or a relative," said Tim Gagnon, assistant academic professor of accounting at the D'Amore-McKim School of Business at Northeastern University.

12. Adopting a Child
"The federal government allows families to use a tax credit, which is worth up to $13,400," when adopting a new family member, said Lisa Greene-Lewis, CPA and TurboTax expert. "Qualifying adoption expenses include attorney fees, travel costs — if directly related to the adoption — and court fees."

To qualify for the credit, a taxpayer must owe taxes — it's a non-refundable credit, although the balance of the credit can be carried forward for up to five years. The adopted child must also be under the age of 18 or physically unable to care for him- or herself, and can't be a stepchild.

13. Driving to Your Rental Property
"If you own a rental property, you're able to deduct miles driven in conjunction with inspecting and taking care of the property," said Fraim. "For demanding properties or properties that are out of town, this can be a huge deduction."

That includes miles spent driving to collect rents, make property repairs or for routine maintenance, like landscaping duties. You can't deduct miles driven from your home to a rental property, which would be considered a commute. The rate for 2015 is 57.5 cents a mile.

14. Medical Expenses
"Deducting medical expenses on your tax return is tough," said Fraim, adding that healthcare costs have to exceed 10 percent of your adjusted gross income, or 7.5 percent if you were born before 1951, before you can start deducting. Still, there are other tax breaks that can benefit those with costly medical expenses.

"Good alternatives, when they are available, are Flexible Spending Accounts (FSAs) and Health Savings Accounts (HSAs)," added Fraim. "These accounts allow you to spend money for medical purposes with pre-tax dollars."

Workers can contribute up to $2,550 to an FSA each year, which can be used to pay out-of-pocket dental costs, co-pays and even deductibles. However, it can only be offered through your employer, and you can only carry $500 over to the next year. Basically, use it or lose it.

An HSA is more flexible, with a higher contribution limit — $3,350 per year — and contributions can grow tax-free from year to year. Even better, you can roll it over if you switch jobs. However, it's only available for those with a high deductible healthcare plan.

15. Forgiven Mortgage Debt
Through 2016, "if you experienced a foreclosure, short sale or loan modification, you will be able to exclude the amount of debt forgiven on your principal residence from your taxable income — up to $2 million," said Greene-Lewis.

The cancelled debt must be from your primary residence. Second homes, rental and business properties don't qualify. Also, the mortgage must have been used to buy, build or substantially improve your home. If you took out a second mortgage to pay off your credit cards, it won't qualify.

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