



SALES TAX DEDUCTION WORKSHEET

Please contact us if you need assistance with this worksheet

Choose the method yielding greatest deduction.

METHOD 1 - Optional Sales Tax Table

Amount from the Optional Sales Tax Table (BSH will compute this amount for you. Usually \$1,000-3,000)

Add sales tax on the following items (enter sales tax paid for each):

Purchase/Lease of Motor Vehicle

Purchase of Home Improvement Materials that you paid directly

Purchase of Boat or Aircraft

Other _____

Other _____

Sum of Lines: Sales Tax Deduction to Report on Schedule A

METHOD 2 - Actual Sales Tax Expenses

PLEASE NOTE: In the event your return is examined (audited) by the IRS, you will be required to produce receipts for all sales tax purchases, if you use Method 2.

Amount Paid including Sales Tax

Items Subject to General State and Local Sales Tax:

Clothing

Computer Software / Supplies

Dining Out

Department Store Purchases

Entertainment

Home Furnishings

Hotel Charges

Household Supplies

Pet Supplies

Purchase/Lease of Motor Vehicle

Purchase of Home Improvement Materials

Purchase of Boat or Aircraft

Other _____

Other _____

Subtotal: Items Subject to General State and Local Sales Tax

Multiply Line 1 by the Applicable Sales Tax Rate *

x .0847

Total: Sales Tax Paid at General State and Local Sales Tax Rate

Items Subject to Special Sales Tax:

Amount Paid

Sales Tax **

Groceries

Telephone

Other _____

Other _____

Total: Sales Tax Paid at Special Sales Tax Rates

Sum of Lines 2 & 3: Sales Tax Deduction to Report on Schedule A

*Applicable Sales Tax Rate = Sales Tax Rate / (1 + Sales Tax Rate); for Metro Nashville, the applicable sales tax rate is .0847

**Sales Tax = Purchase Prices x Applicable Sales Tax Rate; for Metro Nashville, the applicable sales tax on groceries is .0566 and on telephone usage is .0654