State Mortgage Interest Deductions - By Jurisdiction

Executive Summary

STATE MORTGAGE INTEREST DEDUCTIONS

ANNUAL REPORT EXECUTIVE SUMMARY

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State Mortgage Interest Deductions - 2019 Short Answer Table

Overview

Of the 45 jurisdictions that have a personal income tax, eleven do not recognize a mortgage interest deduction. Many of the remaining jurisdictions allow a copy-over of the mortgage interest deduction amount from the taxpayer's federal return to their state return without modification or exceptions, but fifteen states require adjustments of the amount copied over to the state return or use that amount as a credit. Only two jurisdictions (four percent) have state-specific mortgage interest deductions that do not look to the amount of the federal itemized deduction in calculating their deduction.

Modifications and Exceptions to Federal Deductions

The states that modify the amount or use of the federal mortgage interest deduction do so in several different ways. For example, Utah and Wisconsin use the federal deduction amount in calculating a credit against the individual's tax liability rather than as a deduction from adjusted gross income. Arizona, Georgia, Iowa, and South Carolina increase the amount of the federal deduction by adding back in any federal mortgage credit reductions. Other states, such as New York, cap or reduce by a percentage the total amount of itemized deductions, thereby proportionately reducing the mortgage interest deduction in some, if not all, circumstances.

Since June 2016, a number of jurisdictions modified their relevant laws, and all of those changes were minor, technical in nature, or not relevant to the topics addressed by this survey, except for the addition of a provision in Iowa which requires a subtraction from itemized deductions of the interest, taxes, and other miscellaneous expenses deductible for federal income tax purposes to the extent such amounts are eligible home costs in connection with a qualified home purchase that were paid or reimbursed from funds in a first-time home buyer savings account. A 2017 Kansas law increases the state mortgage interest deduction from 50% of the federal deduction to 75% for tax years beginning on January 1, 2019, and to 100% for tax years beginning January 1, 2020. In 2018, Iowa made significant changes to its tax code, one of which eliminated the state deduction of interest paid on IRC § 25 mortgage credit certificates. In 2019, Oklahoma established a $17,000 cap on itemized deductions, not including charitable deductions or medical expenses deducted on federal return. Beginning in 2018, federal itemized deductions, including the mortgage interest deduction, no longer flow through to the Vermont state return.

State-Specific Deductions

The effects of state-specific mortgage interest deductions are both more and less favorable than the federal deduction. The District of Columbia's deduction is comparable to the federal one, but the amount is limited for high-earning taxpayers. Louisiana's tax law defines "interest" more broadly, but places circumstantial limitations on deductibility that do not apply to the federal deduction. In 2019, Minnesota moved to a state-specific deduction for tax years beginning after December 31, 2018 similar to the federal deduction

Alabama

Alabama, Exceptions and Notes

Alabama's mortgage interest deduction parallels the federal provision. Alabama allows as a deduction all interest paid or accrued within the taxable year on indebtedness, limited to the amount allowable as an interest deduction for federal income tax purposes in the corresponding tax year or period pursuant to the provisions of 26 U.S.C. § 163(h).

Statutory section amended 2018.

Ala. Code § 40-18-15 (2018)

Alabama, Federal Deductions

Alabama's mortgage interest deduction parallels the federal provision.

Statutory section amended 2018.

Ala. Code § 40-18-15 (2018)

Alabama, State-Specific Deductions

There is no state-specific mortgage interest deduction.

Alaska

Alaska, Exceptions and Notes

Alaska does not have an individual state income tax. *See* **Alaska Dep't of Revenue, Tax Div., *Personal Income News*** (last visited Dec. 16, 2019).

Alaska, Federal Deductions

Alaska does not have an individual state income tax. *See* **Alaska Dep't of Revenue, Tax Div., *Personal Income News*** (last visited Dec. 16, 2019).

Alaska, State-Specific Deductions

Alaska does not have an individual state income tax. *See* **Alaska Dep't of Revenue, Tax Div., *Personal Income News*** (last visited Dec. 16, 2019).

Arizona

Arizona, Exceptions and Notes

Under federal law, if a mortgage credit certificate has been issued to the taxpayer and a credit is established pursuant to 26 U.S.C. § 25, the amount of the mortgage interest deduction claimed must be reduced by the amount of such credit for federal tax purposes. *See* 26 U.S.C. § 163(g) ("The amount of the deduction under this section for interest paid or accrued during any taxable year on indebtedness with respect to which a mortgage credit certificate has been issued under section 25 shall be reduced by the amount of the credit allowable with respect to such interest under section 25 (determined without regard to section 26)."). For Arizona state income taxes, however, it can be added back in. Accordingly, Arizona's mortgage interest deduction is more liberal than the federal deduction.

Statutory section amended 2014.

Ariz. Rev. Stat. § 43-1042 (2019)

Arizona, Federal Deductions

Arizona taxpayers may deduct mortgage interest to the extent deductible for federal income tax purposes under the Internal Revenue Code, plus the amount of the mortgage interest credit allowable for the tax year under § 25 of the Internal Revenue Code, to the extent the credit decreased the amount of interest deductible for federal tax purposes.

For the purposes of computing Arizona income tax "for taxable years beginning from and after December 31, 2018, 'internal revenue code' means the United States internal revenue code of 1986, as amended, in effect on January 1, 2019, including those provisions that became effective during 2018 with the specific adoption of all retroactive effective dates, but excluding any changes to the code enacted after January 1, 2019."

Section 43-1042 amended 2014; § 43-105 amended 2019.

Ariz. Rev. Stat. § 43-1042 (2019); *see also* Ariz. Rev. Stat. § 43-105 (2019); Ariz. Dep't Rev.. Tax Conformity FAQs (last visited Dec. 20, 2019)

Arizona, State-Specific Deductions

There is no state-specific mortgage interest deduction.

Arkansas

Arkansas, Exceptions and Notes

Section 163 of the Internal Revenue Code of 1986, as in effect on January 1, 2017, regarding deductions for interest expenses, is adopted for the purpose of computing Arkansas income tax liability.

Statutory section amended 2017.

Ark. Code § 26-51-415 (LexisNexis 2019)

Arkansas, Federal Deductions

Section 163 of the Internal Revenue Code of 1986, as in effect on January 1, 2017, regarding deductions for interest expenses, is adopted for the purpose of computing Arkansas income tax liability. Therefore, the state has *not* adopt the federal Tax Cuts & Jobs Act changes related to the deduction of mortgage interest contained in the current version of **26 U.S. Code § 163(h)(3)**.

Arkansas also explicitly adopts the overall limitation on itemized deductions set forth in 26 U.S.C. § 68, as in effect on January 1, 2011.

Section 26-51-415 amended 2017; § 26-51-436 amended 2019..

Ark. Code §§ 26-51-415, -436 (LexisNexis 2019)

Arkansas, State-Specific Deductions

There is no state-specific mortgage interest deduction.

California

California, Exceptions and Notes

California income tax law adopts the federal deduction (*see* 26 U.S.C. § 163(h)) with two exceptions, one narrower and one more liberal than the federal: mortgage insurance premiums are not considered interest, but payments made to the California Housing Finance Agency pursuant to its buy-down mortgage payment program are deductible for state income tax purposes.

Note that for taxable years beginning on or after January 1, 2015, California defines "Internal Revenue Code" as the Code in effect on January 1, 2015 with respect to the deduction of mortgage interest. Therefore, the state has *not* adopt the federal Tax Cuts & Jobs Act changes contained in the current version of **26 U.S. Code § 163(h)(3)**.

Statutory section 17230 amended 1983; § 17201 amended 1993; § 17225 amended 2010; § 17024.5 amended 2015.

Cal. Rev. & Tax. Code §§ 17201, 17225, 17230 (2019); *see also* **Cal. Rev. & Tax. Code § 17024.5 (2019)**

California, Federal Deductions

California income tax law adopts the federal mortgage interest deduction with two exceptions: mortgage insurance premiums are not considered interest for state income tax purposes, but payments made to the California Housing Finance Agency pursuant to its buy-down mortgage payment program are.

Note that for taxable years beginning on or after January 1, 2015, California defines "Internal Revenue Code" as the Code in effect on January 1, 2015 with respect to the deduction of mortgage interest. Therefore, the state has *not* adopt the federal Tax Cuts & Jobs Act changes contained in the current version of 26 U.S. Code § 163(h)(3).

Statutory section 17230 amended 1983; § 17201 amended 1993; § 17225 amended 2010; § 17024.5 amended 2015.

Cal. Rev. & Tax. Code §§ 17201, 17225, 17230 (2019); *see also* Cal. Rev. & Tax. Code § 17024.5 (2019)

California, State-Specific Deductions

There is no state-specific mortgage interest deduction.

Colorado

Colorado, Exceptions and Notes

Colorado income tax is imposed on the taxpayer's federal taxable income (as modified), which is generally his or her income after taking itemized deductions. *See* 26 U.S.C. § 63 (defining "taxable income" as calculated after subtracting all federal itemized deductions).

Colorado defines "Internal revenue code" as the laws related to federal income taxes "as the same may become effective at any time or from time to time, for the taxable year." Therefore, for the 2018 tax year and beyond, the itemized deduction may include a mortgage interest deduction as provided in 26 U.S.C.§ 163(h)(3), as modified by the 2017 Tax Cuts and Jobs Act (P.L. 115-97).

Section 39-22-103 amended 2019; § 29-22-103 amended 2002.

Colo. Rev. Stat. § 39-22-103, -104 (LexisNexis 2019)

Colorado, Federal Deductions

Colorado allows individual taxpayers to claim the same itemized mortgage interest deduction amount for state income tax purposes as the taxpayer claimed for the same tax year on his or her federal income tax return.

Colorado defines "Internal revenue code" as the laws related to federal income taxes "as the same may become effective at any time or from time to time, for the taxable year." Therefore, for the 2018 tax year and beyond, itemized deductions may include a mortgage interest deduction as provided in **26 U.S.C.§ 163(h)(3)**, as modified by the 2017 Tax Cuts and Jobs Act (P.L. 115-97).

Section 39-22-103 amended 2019; § 29-22-103 amended 2002.

Colo. Rev. Stat. § 39-22-103, -104 (LexisNexis 2019)

Colorado, State-Specific Deductions

There is no state-specific mortgage interest deduction.

Connecticut

Connecticut, Exceptions and Notes

Connecticut tax law does not allow for a mortgage interest deduction. Connecticut law defines "Connecticut taxable income of a resident" as the Connecticut adjusted gross income with respect to any taxable year, reduced by the amount of the allowed exemptions, but not itemized deductions. (None of the allowed exemptions involves real property taxes.) "Adjusted gross income" is the same for state as for federal income tax purposes, as properly reported on the taxpayer's federal income tax return. Accordingly, Connecticut does not allow itemized deductions at all.

Section amended 2019.

Conn. Gen. Stat. §§ 12-701(a)(8), (19), (20) (amended by **2019 Conn. Pub. Act 19-117, § 332**)

Connecticut, Federal Deductions

Connecticut tax law does not allow for a mortgage interest deduction. Connecticut law defines "Connecticut taxable income of a resident" as the Connecticut adjusted gross income with respect to any taxable year, reduced by the amount of the allowed exemptions, but not itemized deductions. (None of the allowed exemptions involves real property taxes.) "Adjusted gross income" is the same for state as for federal income tax purposes, as properly reported on the taxpayer's federal income tax return. Accordingly, Connecticut does not allow itemized deductions at all.

Section amended 2019.

Conn. Gen. Stat. §§ 12-701(a)(8), (19), (20) (amended by 2019 Conn. Pub. Act 19-117, § 332)

Connecticut, State-Specific Deductions

There is no state-specific mortgage interest deduction.

Delaware

Delaware, Exceptions and Notes

A Delaware resident may deduct the same itemized deductions claimed on his or her federal income tax return as permitted under the Internal Revenue Code in effect for that tax year. If the taxpayer does not itemize deductions on the federal return, he or she may deduct the same deductions to which the person would have been entitled had the person itemized deductions on the federal return.

Sections 1105 amended 1998; § 1109 amended 2018.

Del. Code tit. 30, §§ 1105, 1109 (2019)

Delaware, Federal Deductions

The federal mortgage interest deduction may be taken in Delaware, whether or not the taxpayer itemized deductions on the federal return.

In determining Delaware taxable income, in lieu of the Delaware standard deduction provided by § 1108, a resident individual "may elect to deduct the sum of the itemized deductions claimed on the federal income tax return as shall be permitted under the laws of the United States as the same are or shall become effective for any taxable year in determining the federal taxable income" Therefore, for the 2018 tax year and beyond, itemized deductions may include a mortgage interest deduction as provided in **26 U.S.C.§ 163(h)(3)**, as modified by the 2017 Tax Cuts and Jobs Act (P.L. 115-97).

Sections 1105 and 1108 amended 1998; § 1109 amended 2018.

Del. Code tit. 30, §§ 1105, 1108, 1109 (2019)

Delaware, State-Specific Deductions

There is no state-specific mortgage interest deduction.

District of Columbia

District Of Columbia, Exceptions and Notes

District of Columbia taxpayers may take a mortgage interest deduction comparable to the federal deduction, but a limit is placed on the amount of that deduction for high-earning taxpayers. *See* **State-Specific Deductions**.

Statutory section amended 2018.

D.C. Code § 47-1803.03 (2019)

District Of Columbia, Federal Deductions

The District of Columbia mortgage interest deduction is the same as the deduction allowed under the Internal Revenue Code for federal individual income tax returns. However, the deduction is subject to reduction. *See* **State-Specific Deductions**.

Statutory section amended 2018.

D.C. Code § 47-1803.03 (2019)

District Of Columbia, State-Specific Deductions

The District of Columbia mortgage interest deduction is the same as the deduction allowed under the Internal Revenue Code for federal individual income tax returns. However, "[i]n the case of an individual whose District adjusted gross income exceeds the applicable amount [$200,000, or $100,000 if married filing separately], the amount of the itemized deductions otherwise allowable for the taxable year shall be reduced by 5% of the excess of the District adjusted gross income over the applicable amount."

The District of Columbia Office of Tax and Revenue explains this limit another way: "Certain DC itemized deductions of DC taxpayers over $200,000 ($100,000 for a separate return filed by a married individual) will be limited to those deductions that exceed five percent of their DC AGI over $200,000 ($100,000 for a separate return filed by a married individual). The itemized deductions that are not subject to the five percent limitation are medical and dental expenses, expenses incurred in the production of investment interest and casualty or theft loss deductions."

Statutory section amended 2018.

D.C. Code § 47-1803.03 (2019)

Florida

Florida, Exceptions and Notes

Florida residents are not subject to a state personal income tax. State of Florida, *Florida Tax Guide, Florida Taxes - A Quick Look* (last visited Dec. 16, 2019).

Florida, Federal Deductions

Florida residents are not subject to a state personal income tax. State of Florida, *Florida Tax Guide, Florida Taxes - A Quick Look* (last visited Dec. 16. 2019).

Florida, State-Specific Deductions

Florida residents are not subject to a state personal income tax. State of Florida, *Florida Tax Guide, Florida Taxes - A Quick Look* (last visited Dec. 16, 2019).

Georgia

Georgia, Exceptions and Notes

Under federal law, if a mortgage credit certificate has been issued to the taxpayer and a credit is established pursuant to 26 U.S.C. § 25, the amount of the mortgage interest deduction claimed must be reduced by the amount of such credit for federal tax purposes. For Georgia state income tax purposes, however, the amount of mortgage interest eliminated from federal itemized deductions for the purpose of computing the mortgage interest credit on the federal return can be added back in. *See* 26 U.S.C. § 163(g) ("The amount of the deduction under this section for interest paid or accrued during any taxable year on indebtedness with respect to which a mortgage credit certificate has been issued under section 25 shall be reduced by the amount of the credit allowable with respect to such interest under section 25 (determined without regard to section 26)."). So, Georgia's mortgage interest deduction is more liberal than the federal deduction.

Statutory section amended 2019.

Ga. Code § 48-7-27 (LexisNexis 2019)

Georgia, Federal Deductions

In Georgia, the taxable net income of an individual is the taxpayer's federal adjusted gross income, less the sum of all itemized deductions used in computing federal taxable income (or the standard deduction, if the taxpayer could not or did not itemize deductions), less the amount of mortgage interest eliminated from federal itemized deductions for the purpose of computing the mortgage interest credit on the federal return.

For taxable years beginning on or after January 1, 2018, Georgia defines "Internal Revenue Code" for most purposes as the Internal Revenue Code of 1986 as "provided for in federal law enacted on or before January 1, 2019."

Statutory section amended 2019.

Ga. Code § 48-7-2, -27 (LexisNexis 2019)

Georgia, State-Specific Deductions

There is no state-specific mortgage interest deduction.

Guam

Guam, Exceptions and Notes

The U.S. Congress created the Territorial Government of Guam as a separate taxing jurisdiction by enacting the Organic Act of Guam in 1950. Section 31 of the Act provides that the income tax laws in force in the United States are the income tax laws of Guam, substituting Guam for the United States where necessary and omitting any inapplicable or incompatible provisions. The U.S. Internal Revenue Code with such changes constitutes the Guam Territorial Income Tax Law.

Therefore, the itemized deductions available under federal tax law are available under Guam's territorial tax law, including the mortgage interest deduction.

Guam Dep't of Rev. & Tax., *Guam Tax Structure* (last visited Dec. 21, 2019)

Guam, Federal Deductions

The itemized deductions available under federal tax law are available under Guam's territorial tax law, including the mortgage interest deduction. *See* **Exceptions and Notes.**

Guam Dep't of Rev. & Tax., *Guam Tax Structure* (last visited Dec. 6, 2019)

Guam, State-Specific Deductions

There is no Guam-specific mortgage interest deduction.

Hawaii

Hawaii, Exceptions and Notes

Hawaii income tax law conforms to the Internal Revenue Code, including 26 U.S.C. § 163(g) (providing for a reduction of the interest deduction when a mortgage credit certificate has been issued under § 25). However, Haw. Rev. Stat. § 235-7(e) specifically provides that "[t]here shall be disallowed as a deduction the amount of interest paid or accrued within the taxable year on indebtedness incurred or continued . . . (2) to purchase or carry property owned without the State . . . , if the taxpayer is a person taxable only upon income from sources in the State."

Note that although Hawaii updated its conformity date to the Internal Revenue Code in effect on December 31, 2018, section 235-2.4(j)(3) explicitly provides that 26 U.S.C.§ 163(h)(3)(F), limiting the deduction for mortgage interest for taxable years beginning after December 31, 2017, and before January 1, 2026, does *not* apply to Hawaii state tax returns.

Statutory section 235-7 amended 2017, effective on Jan. 1, 2018; §§ 235-2.4 and 235-2.3 amended 2019.

Haw. Rev. Stat. §§ 235-2.3, -2.4, -7(e) (2019)

Hawaii, Federal Deductions

Federal law applies when computing deductions, subject to certain exceptions. Federal limits on the total itemized deductions also apply, but are recalculated for the Hawaii tax. See **Exceptions and Notes** for details regarding the state limit.

Note that although Hawaii updated its conformity date to the Internal Revenue Code in effect on December 31, 2018, section 235-2.4(j)(3) explicitly provides that 26 U.S.C.§ 163(h)(3)(F), limiting the deduction for mortgage interest for taxable years beginning after December 31, 2017, and before January 1, 2026, does *not* apply to Hawaii state tax returns.

Sections 235-2.3 and 235-2.4 amended 2019.

Haw. Rev. Stat. §§ 235-2.3 -2.4 (2019)

Hawaii, State-Specific Deductions

There is no state-specific mortgage interest deduction.

Idaho

Idaho, Exceptions and Notes

Idaho tax law provides that individual taxpayers may elect between the standard deduction and itemized deductions as defined in § 63 of the Internal Revenue Code, which include the mortgage interest deduction set forth in 26 U.S.C. § 163(h). There are no exceptions related to mortgage interest deductions under state law.

Note: Idaho law now defines the term "Internal Revenue Code of 1986" for most purposes as the code that was in effect on January 1, 2019. Therefore, for the 2019 tax year and beyond, the itemized deduction on Idaho's state tax return may include a mortgage interest deduction as itemized on the taxpayer's federal return

Sections amended 2019.

Idaho Code §§ 63-3004, -3022(j) (2019)

Idaho, Federal Deductions

Idaho tax law provides that individual taxpayers start with their federal taxable income, so the taxpayer's deductions have already been determined on his or her federal tax form. Pursuant to [26 U.S. Code § 163(h)(3)], for taxable years beginning after December 31, 2017, and before January 1, 2026, the mortgage interest deduction on an individual's federal return is limited. Idaho law now defines the term "Internal Revenue Code of 1986" for most purposes as the code that was in effect on January 1, 2019. Therefore, for the 2019 tax year and beyond, the itemized deduction on Idaho's state tax return may include a mortgage interest deduction as itemized on the taxpayer's federal return

Sections amended 2019.

Idaho Code §§ 63-3004, -3022(j) (2019)

Idaho, State-Specific Deductions

There is no state-specific mortgage interest deduction.

Illinois

Illinois, Exceptions and Notes

In Illinois, state personal income tax is based on the taxpayer's Illinois net income, which is a portion of his or her base income. The taxpayer's base income equals his or her federal adjusted gross income, as modified by amounts not related to the mortgage interest deduction. The Internal Revenue Code, in 26 U.S.C. § 62, defines adjusted gross income as calculated before itemized deductions are subtracted.

Statutory section 202 amended 2002; § 203 amended 2017; § 201 amended 2017.

35 Ill. Comp. Stat. 5/201, /202, /203 (2019)

Illinois, Federal Deductions

In Illinois, state personal income tax is based on the taxpayer's Illinois net income, which is a portion of his or her base income. The taxpayer's base income equals his or her federal adjusted gross income, as modified by amounts not related to the mortgage interest deduction. The Internal Revenue Code, in 26 U.S.C. § 62, defines adjusted gross income as calculated before itemized deductions are subtracted. There are no state-specific deductions. Accordingly, Illinois appears not to allow any deduction for mortgage interest on state income taxes.

Statutory section 202 amended 2002; § 203 amended 2017; § 201 amended 2017.

35 Ill. Comp. Stat. 5/201, /202, /203 (2019)

Illinois, State-Specific Deductions

There is no state-specific mortgage interest deduction.

Indiana

Indiana, Exceptions and Notes

Indiana income tax is applied to the taxpayer's adjusted gross income, defined the same as under federal law, with several additions and subtractions not specifically related to mortgage interest. Neither the federal nor a state-specific mortgage interest deduction is applied in Indiana.

Statutory section 6-3-2-1 amended 2018; § 6-3-1-3.5 amended 2019.

Ind. Code §§ 6-3-1-3.5, -2-1 (2019) ; *see also* Ind. Dep't of Revenue, *Indiana Deductions from Income* (last visited Dec. 21, 2019).

Indiana, Federal Deductions

The federal mortgage interest deduction is not applied in Indiana for state tax purposes. In Indiana, state personal income tax is based on the taxpayer's adjusted gross income. The Internal Revenue Code, in 26 U.S.C. § 62, defines adjusted gross income as calculated before itemized deductions are subtracted.

Statutory section 6-3-2-1 amended 2018; § 6-3-1-3.5 amended 2019.

Ind. Code §§ 6-3-1-3.5, -2-1 (2019); *see also* Ind. Dep't of Revenue, *Indiana Deductions from Income* (last visited Dec. 21, 2019).

Indiana, State-Specific Deductions

There is no state-specific mortgage interest deduction.

Iowa

Iowa, Exceptions and Notes

Under federal law, if a mortgage credit certificate has been issued to the taxpayer and a credit is established pursuant to 26 U.S.C. § 25, the amount of the mortgage interest deduction claimed must be reduced by the amount of such credit for federal tax purposes. *See* 26 U.S.C. § 163(g) ("The amount of the deduction under this section for interest paid or accrued during any taxable year on indebtedness with respect to which a mortgage credit certificate has been issued under section 25 shall be reduced by the amount of the credit allowable with respect to such interest under section 25 (determined without regard to section 26)."). For Iowa state income taxes, however, it can be added back in.

Effective July 1, 2017, taxpayers must subtract from itemized deductions the interest, taxes, and other miscellaneous expenses deductible for federal income tax purposes to the extent such amounts are eligible home costs in connection with a qualified home purchase that were paid or reimbursed from funds in a first-time home buyer savings account.

Sections amended 2019..

Iowa Code §§ 422.4, .7, .9 (2019)

Iowa, Federal Deductions

Iowa taxable income is determined by deducting from Iowa net income the larger of an optional standard deduction or the total of contributions, interest, taxes, medical expense, nonbusiness losses, and miscellaneous expenses deductible for federal income tax purposes under the Internal Revenue Code, with the adjustments set forth in § 422.9, plus "the amount of the mortgage interest credit allowable for the tax year under section 25 of the Internal Revenue Code to the extent the credit decreased the amount of interest deductible under section 163(g) of the Internal Revenue Code."

Effective July 1, 2017, taxpayers must subtract from itemized deductions the interest, taxes, and other miscellaneous expenses deductible for federal income tax purposes to the extent such amounts are eligible home costs in connection with a qualified home purchase that were paid or reimbursed from funds in a first-time home buyer savings account.

"For tax years beginning during the 2019 calendar year, 'Internal Revenue Code' means the Internal Revenue Code of 1954, prior to the date of its redesignation as the Internal Revenue Code of 1986 by the Tax Reform Act of 1986, or means the Internal Revenue Code of 1986 as amended and in effect on March 24, 2018. This definition shall not be construed to include any amendment to the Internal Revenue Code enacted after the date specified in the preceding sentence, including any amendment with retroactive applicability or effectiveness." Therefore for the 2019 taxable year, the changes to the mortgage interest deduction by the federal Tax Cuts and Jobs Act (TCJA) do apply.

"For tax years beginning on or after January 1, 2020, 'Internal Revenue Code' means the Internal Revenue Code of 1954, prior to the date of its redesignation as the Internal Revenue Code of 1986 by the Tax Reform Act of 1986, or means the Internal Revenue Code of 1986, as amended." Therefore for the 2019 taxable year, the changes to the mortgage interest deduction by the federal Tax Cuts and Jobs Act (TCJA) do apply.

Sections amended 2019, except § 422.3 amended 2018.

Iowa Code §§ 422.3, .4, .7, ,9 (2019)

Iowa, State-Specific Deductions

There is no state-specific mortgage interest deduction.

Kansas

Kansas, Exceptions and Notes

If an individual’s federal taxable income is determined by itemizing deductions, that individual may elect to deduct the Kansas itemized deduction, which means the total amount of deductions from federal adjusted gross income, with certain exclusions. For tax years starting on and after January 1, 2015 and ending before January 1, 2018, an individual's itemized deduction means the following deductions from federal adjusted gross income, other than federal deductions for personal exemptions, with certain modifications:

- 100 percent of qualified charitable contributions;
- 50 percent of "the amount of qualified residence interest as provided in section 163(h) of the federal internal revenue code"; and

- 50 percent of the amount of taxes on real and personal property.

For tax years starting on and after January 1, 2018 and ending before January 1, 2019, an individual's itemized deduction means the following deductions from federal adjusted gross income, other than federal deductions for personal exemptions, with certain modifications:

- 100 percent of qualified charitable contributions;

- 50 percent of "expenses for medical care allowable as deductions in section 213 of the federal internal revenue code";

- 50 percent of "the amount of qualified residence interest as provided in section 163(h) of the federal internal revenue code"; and

- 50 percent of the amount of taxes on real and personal property.

For tax years starting on and after January 1, 2019 and ending before January 1, 2020, an individual's itemized deduction means the following deductions from federal adjusted gross income, other than federal deductions for personal exemptions, with certain modifications:

- 100 percent of qualified charitable contributions;

- 75 percent of "expenses for medical care allowable as deductions in section 213 of the federal internal revenue code";

- 75 percent of "the amount of qualified residence interest as provided in section 163(h) of the federal internal revenue code"; and

- 75 percent of the amount of taxes on real and personal property.

For tax years starting on and after January 1, 2020, an individual's itemized deduction means the following deductions from federal adjusted gross income, other than federal deductions for personal exemptions, with certain modifications:

- 100 percent of qualified charitable contributions;
- 100 percent of "expenses for medical care allowable as deductions in section 213 of the federal internal revenue code";
- 100 percent of "the amount of qualified residence interest as provided in section 163(h) of the federal internal revenue code"; and
- 100 percent of the amount of taxes on real and personal property.

Section amended 2019. Legislative changes document revised 2019.

Kan. Stat. §§ 79-32,117 (as amended by 2019 Kan. S.L. 65, § 8); Kan. Dep't of Rev., *Kansas 2019 Legislative Changes* (July 10, 2019)

Kansas, Federal Deductions

Kansas allows taxpayers to deduct mortgage interest payments on their Kansas income taxes. However, for tax years starting on and after January 1, 2015 and ending before January 1, 2018, an individual's itemized deduction for mortgage interest is limited to 50 percent of "the amount of qualified residence interest as provided in section 163(h) of the federal internal revenue code." For the tax year commencing on and after January 1, 2018, and ending before January 1, 2019, the same limitation applies.

For the tax year commencing on and after January 1, 2019, and ending before January 1, 2020, the mortgage interest deduction is raised to 75 percent of the federal amount and for tax years commencing on and after January 1, 2020, the amount that may be deducted is 100 percent of the amount deducted for federal tax purposes.

Section amended 2019. Legislative changes document revised 2019.

Kan. Stat. §§ 79-32,117 (as amended by 2019 Kan. S.L. 65, § 8); Kan. Dep't of Rev., *Kansas 2019 Legislative Changes* (July 10, 2019)

Kansas, State-Specific Deductions

There is no state-specific mortgage interest deduction.

Kentucky

Kentucky, Exceptions and Notes

Kentucky levies income tax on individual taxpayers based on their "net income," which is defined as adjusted gross income minus, among other things, all the deductions allowed under the Internal Revenue Code (including the mortgage interest deduction), except specified amounts that are not relevant to this survey. For taxable years beginning on or after January 1, 2019, "Internal Revenue Code" means the Code in effect on December 31, 2018.

Section 141.020 amended 2018; §§ 141.010 and 141.019 amended 2019.

Ky. Rev. Stat. §§ 141.010, .019, .020 (2019)

Kentucky, Federal Deductions

Kentucky's income tax law generally allows the same deductions for state tax purposes as does the Internal Revenue Code, including the mortgage interest deduction. For taxable years beginning on or after January 1, 2019, "Internal Revenue Code" means the Code in effect on December 31, 2018.

Section 141020 amended 2018; §§ 141.010 and 141,019 amended 2019.

Ky. Rev. Stat. §§ 141.010, .019, .020 (2019)

Kentucky, State-Specific Deductions

There is no state-specific mortgage interest deduction.

Louisiana

Louisiana, Exceptions and Notes

Louisiana has a state-specific interest deduction. *See* **State-Specific Deductions**.

Louisiana, Federal Deductions

Louisiana law sets forth its own definition of and places its own limits on deductible interest and does not simply incorporate the federal itemized deductions. *See* **State-Specific Deductions**.

Statutory section 47:54 amended 1967; § 47:75 history unknown.

[La. Rev. Stat. §§ 47:54](), [:75 (2019)]()

Louisiana, State-Specific Deductions

In computing "net income," on which Louisiana state income tax is assessed, a deduction is allowed for all interest paid or accrued within the taxable year on indebtedness, with certain exceptions not applicable here. "Interest" includes "any deferred payment costs or charges, whether designated as interest, service or carrying charges or other charges by whatsoever term designated paid on credit, installment or other types of delayed or deferred payment purchases and other indebtedness."

In computing net income, no deduction is allowed under § 47:54, relating to interest, if:

(1) the interest is not paid within the taxable year or within two and one-half months after the close thereof; and

(2) by reason of the method of accounting of the person to whom the payment is to be made, the amount thereof is not, unless paid, includable in the gross income of such person for the taxable year in which or with which the taxable year of the taxpayer ends; and

(3) at the close of the taxable year of the taxpayer or at any time within two and one-half months thereafter, the relationship between the taxpayer and the person to whom the payment is to be made is between:

(a) members of a family;

(b) an individual and a corporation, more than fifty per cent in value of the outstanding stock of which is owned directly or indirectly by or for such individual;

(c) two corporations, more than fifty per cent in value of the outstanding stock of each of which is owned directly or indirectly by or for the same individual;

(d) a grantor and a fiduciary of any trust;

(e) the fiduciary of a trust and the fiduciary of other trusts, if the same person is a grantor with respect to each trust; or

(f) a fiduciary of a trust and beneficiary of such trust.

Statutory section 47:54 amended 1967; § 47:75 history unknown.

La. Rev. Stat. §§ 47:54, :75 (2019)

Maine

Maine, Exceptions and Notes

Maine allows individual taxpayers to claim the same itemized mortgage interest deduction amount for state income tax purposes as the taxpayer claimed for the same tax year on his or her federal income tax return. "An individual who has claimed itemized deductions from federal adjusted gross income in determining the individual's federal taxable income for the taxable year may claim itemized deductions from Maine adjusted gross income" subject to modifications not relevant here. However, the total itemized deductions from Maine adjusted gross income claimed on a return may not exceed $28,350, except this limitation does not apply to medical and dental expenses included in an individual's itemized deductions from federal adjusted gross income.

Note: For tax years beginning on or after January 1, 2018, the the taxpayer's total itemized deductions must be reduced by an amount equal to the total itemized deductions multiplied by the following fraction:

- for single individuals and married persons filing separate returns, the numerator is the taxpayer's Maine adjusted gross income less $80,000, except that the numerator may not be less than zero, and the denominator is $75,000, but in no case may the fraction produce a result that is more than one;

- for individuals filing as heads of households, the numerator is the taxpayer's Maine adjusted gross income less $120,000, except that the numerator may not be less than zero, and the denominator is $112,500, but in no case may the fraction produce a result that is more than one; and

- for individuals filing married joint returns or surviving spouses, the numerator is the taxpayer's Maine adjusted gross income less $160,000, except that the numerator may not be less than zero, and the denominator is $150,000, but in no case may the fraction contained in this paragraph produce a result that is more than one.

Note: Spouses, both of whom are required to file returns, are allowed to claim itemized deductions from Maine adjusted gross income only if both do so. Their total itemized deductions from federal adjusted gross income may be taken by either spouse or divided between them, as they may elect, if their federal income tax is determined on a joint return but their Maine tax is determined on separate returns.

Statutory section amended 2017.

Me. Rev. Stat. Ann. tit. 36, § 5125 (2019)

Maine, Federal Deductions

Maine allows individual taxpayers to claim the same itemized mortgage interest deduction amount for state income tax purposes as the taxpayer claimed for the same tax year on his or her federal income tax return. However, for tax years beginning on or after January 1, 2013, the total itemized deductions from Maine adjusted gross income claimed on a return may not exceed $28,350 (this limitation does not apply to medical and dental expenses included in an individual's itemized deductions from federal adjusted gross income).

Note: For tax years beginning on or after January 1, 2016, a higher-income taxpayer's total itemized deductions are reduced by an amount equal to the total itemized deductions multiplied by the fraction established by § 5125.

Statutory section amended 2017.

Me. Rev. Stat. Ann. tit. 36, § 5125 (2019)

Maine, State-Specific Deductions

There is no state-specific mortgage interest deduction.

Maryland

Maryland, Exceptions and Notes

Only a taxpayer who itemizes on his or her federal income tax return may elect to itemize deductions on his or her Maryland state income tax return.

Section amended 2001.

Md. Code Ann. Tax-Gen. § 10-218 (2019)

Maryland, Federal Deductions

Maryland allows individual taxpayers to claim the same itemized mortgage interest deduction amount for state income tax purposes as the taxpayer claimed for the same tax year on his or her federal income tax return. An individual who elects to itemize deductions may deduct the total of the individual's federal itemized deductions, as limited and reduced by the Internal Revenue Code and by Maryland's tax code. None of the state adjustments are related to deducting mortgage interest.

Pursuant to Maryland law, "Internal Revenue Code" simply means "Title 26 of the United States Code." Thus, the state appears to have a rolling conformity date with the federal code.

Section amended 2001.

Md. Code Ann. Tax-Gen. § 10-218 (2019)

Maryland, State-Specific Deductions

There is no state-specific mortgage interest deduction.

Massachusetts

Massachusetts, Exceptions and Notes

Massachusetts' allowable deductions differ from federal itemized deductions. There is no state deduction for mortgage interest.

Statutory section amended 2018.

[Mass. Gen. Laws ch. 62, § 3 (2019)]

Massachusetts, Federal Deductions

Massachusetts' allowable deductions differ from federal itemized deductions. There is no state deduction for mortgage interest.

Statutory section amended 2018.

[Mass. Gen. Laws ch. 62, § 3 (2019)]

Massachusetts, State-Specific Deductions

Massachusetts' allowable deductions differ from federal itemized deductions. There is no state deduction for mortgage interest.

Statutory section amended 2018.

[Mass. Gen. Laws ch. 62, § 3 (2019)]

Michigan

Michigan, Exceptions and Notes

In Michigan, state personal income tax is based on the taxpayer's federal adjusted gross income, which is calculated before itemized deductions are subtracted. There are no state-specific deductions. Accordingly, Michigan does not allow any deduction for mortgage interest on state income taxes.

Statutory section amended 2018.

Mich. Comp. Laws § 206.30 (2019)

Michigan, Federal Deductions

In Michigan, state personal income tax is based on the taxpayer's federal adjusted gross income. The Internal Revenue Code, in 26 U.S.C. § 62, defines adjusted gross income as calculated before itemized deductions are subtracted. Itemized deductions claimed on the federal income tax Schedule A, such as the mortgage interest deduction, are not deductible for purposes of calculating Michigan state income tax.

Statutory section amended 2018.

Mich. Comp. Laws § 206.30 (2019)

Michigan, State-Specific Deductions

There is no state-specific mortgage interest deduction.

Minnesota

Minnesota, Exceptions and Notes

Minnesota allows individual taxpayers to claim a state-specific itemized mortgage interest deduction for tax years beginning after December 31, 2018. *See* **State-Specific Deductions**.

Minnesota, Federal Deductions

Minnesota allows individual taxpayers to claim a state-specific itemized mortgage interest deduction for tax years beginning after December 31, 2018. *See* **State-Specific Deductions**.

Minnesota, State-Specific Deductions

Effective for taxable years beginning after December 31, 2018, Minnesota has a state-specific property tax deduction.

"State itemized deduction" is defined as the itemized deductions for individual income tax allowed under Minn Stat. § 290.0122.   Under § 290.0122, a taxpayer is allowed, among other deductions, a deduction for interest equal to "the amount allowed to the taxpayer as interest paid or accrued during the taxable year under 26 U.S.C. § 163 with the following exceptions:

- qualified residence interest excludes home equity interest;

- acquisition indebtedness must not exceed $750,000, or $375,000 for a married separate return, for indebtedness incurred on or after December 16, 2017; and

- mortgage insurance premiums treated as interest under 26 U.S.C. § 163(h)(3)(E) are not interest for the purposes deduction.

The total itemized deductions of a taxpayer with adjusted gross income in excess of the "applicable amount" are reduced by the lesser of:

- three percent of the excess of the taxpayer's federal adjusted gross income over the applicable amount; or

- 80 percent of the amount of the taxpayer's itemized deductions.

"Applicable amount" means $194,650 (or $97,325 for a married individual filing a separate return), adjusted for inflation.

Section 290.01 amended 2019, § 290.122 enacted 2019

Minn. Stat. §§ 290.01, subd. 29a, .0122, subd. 5 (2019)

Mississippi

Mississippi, Exceptions and Notes

A Mississippi taxpayer may choose to either itemize individual nonbusiness deductions or claim the standard deduction for his or her filing status, whichever provides the greater tax benefit. Mississippi allows the same itemized deduction for mortgage interest payments for state income tax purposes as was used for federal income tax purposes.

Statutory section amended 2017.

Miss. Code Ann. § 27-7-17(3)(a) (LexisNexis 2019)

Mississippi, Federal Deductions

Mississippi allows individual taxpayers to claim the same itemized mortgage interest deduction amount for state income tax purposes as the taxpayer claimed for the same tax year on his or her federal income tax return.

Statutory section amended 2017.

Miss. Code Ann. § 27-7-17(3)(a) (LexisNexis 2019)

Mississippi, State-Specific Deductions

There is no state-specific mortgage interest deduction.

Missouri

Missouri, Exceptions and Notes

"If federal taxable income of a resident individual is determined by itemizing deductions from his federal adjusted gross income, he may elect to deduct his Missouri itemized deduction in lieu of his Missouri standard deduction. The Missouri itemized deduction of a resident individual means the allowable federal itemized deductions which consist of allowable federal deductions other than those allowable in arriving at federal adjusted gross income and other than the federal deductions for personal and dependency exemptions," with modifications not applicable here. Therefore, a taxpayer's mortgage interest deduction flows from his or her federal return to his or her Missouri return.

Mo. Rev. Stat. § 143.141 (2019); Mo. Dep't of Rev., *2018 Missouri Form MO-1040 Instructions*, p. 7-8, and Form MO-A, Part 2 (2018)

Missouri, Federal Deductions

Missouri allows individual taxpayers to claim the same itemized mortgage interest deduction amount for state income tax purposes as the taxpayer claimed for the same tax year on his or her federal income tax return.

Statutory section amended 1992.

Mo. Rev. Stat. § 143.141 (2019)

Missouri, State-Specific Deductions

There is no state-specific mortgage interest deduction.

Montana

Montana, Exceptions and Notes

Montana allows individual taxpayers to take the same deductions as allowed under 26 U.S.C. § 161 (subject to certain exceptions), including the mortgage interest deduction allowed under § 163 of the Internal Revenue Code.

Statutory section amended 2007 and renumbered 2009.

Mont. Code Ann. § 15-30-2131(1)(a) (2019)

Montana, Federal Deductions

Montana allows individual taxpayers to claim the same itemized mortgage interest deduction amount for state income tax purposes as the taxpayer claimed for the same tax year on his or her federal income tax return, subject to certain exceptions that do not involve mortgage interest.

Statutory section amended 2007 and renumbered 2009.

Mont. Code Ann. § 15-30-2131(1)(a) (2019)

Montana, State-Specific Deductions

There is no state-specific mortgage interest deduction.

Nebraska

Nebraska, Exceptions and Notes

Nebraska allows taxpayers, who elect to subtract itemized deductions, to deduct mortgage interest on their Nebraska income taxes to the same extent deducted on their federal tax return. There are no relevant exceptions.

Section amended 2019.

Neb. Rev. Stat. § 77-2716.01(4) (2019)

Nebraska, Federal Deductions

Nebraska allows individual taxpayers to claim the same itemized mortgage interest deduction amount for state income tax purposes as the taxpayer claimed for the same tax year on his or her federal income tax return.

Section amended 2019.

Neb. Rev. Stat. § 77-2716.01(4) (2019)

Nebraska, State-Specific Deductions

There is no state-specific mortgage interest deduction.

Nevada

Nevada, Exceptions and Notes

Nevada residents are not subject to a state personal income tax. *See* Nev. Dep't of Taxation, *Information About Nevada's Taxes and the Department: Income Tax in Nevada* (last visited Dec. 7, 2019).

Nevada, Federal Deductions

Nevada residents are not subject to a state personal income tax. *See* Nev. Dep't of Taxation, *Information About Nevada's Taxes and the Department: Income Tax in Nevada* (last visited Dec. 7, 2019).

Nevada, State-Specific Deductions

Nevada residents are not subject to a state personal income tax. *See* Nev. Dep't of Taxation, *Information About Nevada's Taxes and the Department: Income Tax in Nevada* (last visited Dec. 7, 2019).

New Hampshire

New Hampshire, Exceptions and Notes

New Hampshire does not have an income tax on an individual's W-2 wages. It taxes only dividend and interest income. There is no deduction for mortgage interest payments.

Section amended 2012.

N.H. Rev. Stat. Ann. § 77:4 (2019); *see* N.H. Dep't of Rev. Admin., Frequently Asked Questions - Interest & Dividend Tax (last visited Dec. 7, 2019)

New Hampshire, Federal Deductions

New Hampshire does not have an income tax on an individual's W-2 wages. It taxes only dividend and interest income. There is no deduction for mortgage interest payments.

Section amended 2012.

N.H. Rev. Stat. Ann. § 77:4 (2019); *see* N.H. Dep't of Rev. Admin., Frequently Asked Questions - Interest & Dividend Tax (last visited Dec. 7, 2019)

New Hampshire, State-Specific Deductions

New Hampshire does not have an income tax on an individual's W-2 wages. It taxes only dividend and interest income. There is no deduction for mortgage interest payments.

Section amended 2012.

N.H. Rev. Stat. Ann. § 77:4 (2019); *see* N.H. Dep't of Rev. Admin., Frequently Asked Questions - Interest & Dividend Tax (last visited Dec. 7, 2019)

New Jersey

New Jersey, Exceptions and Notes

Mortgage interest is not deductible on the New Jersey income tax return.

N.J. Treasury Dep't, Div. of Taxation, *NJ Income Tax-Deductions* (updated Feb. 4, 2019)

New Jersey, Federal Deductions

Mortgage interest is not deductible on the New Jersey income tax return.

N.J. Treasury Dep't, Div. of Taxation, *NJ Income Tax-Deductions* (updated Feb. 4, 2019)

New Jersey, State-Specific Deductions

Mortgage interest is not deductible on the New Jersey income tax return.

N.J. Treasury Dep't, Div. of Taxation, *NJ Income Tax-Deductions* (updated Feb. 4, 2019)

New Mexico

New Mexico, Exceptions and Notes

A New Mexico taxpayer's "net income" is determined by subtracting from his or her federal adjusted gross income ("base income"), among other amounts, an amount equal to the federal itemized deductions allowed the taxpayer for the taxpayer's taxable year (less certain amounts not relevant to this survey). That amount would include the itemized deduction for mortgage interest.

Statutory section amended 2014.

N.M. Stat. Ann. § 7-2-2(N)(2) (2019)

New Mexico, Federal Deductions

New Mexico allows individual taxpayers to claim the same itemized mortgage interest deduction amount for state income tax purposes as the taxpayer claimed for the same tax year on his or her federal income tax return.

Statutory section amended 2014.

N.M. Stat. Ann. § 7-2-2(N)(2) (2019)

New Mexico, State-Specific Deductions

There is no state-specific mortgage interest deduction.

New York

New York, Exceptions and Notes

If federal taxable income of a resident individual is determined by itemizing deductions from his or her federal adjusted gross income, the taxpayer may elect to deduct his or New York itemized deduction in lieu of his New York standard deduction. The New York itemized deduction of a resident individual means the total amount of the individual's deductions from federal adjusted gross income, other than federal deductions for personal exemptions, subject to modifications not relevant here, except for the reduction of the total amount of itemized deductions required by § 615(f) and (g).

In 2018, New York revised its tax laws to provide that a person's state itemized deduction equals, with certain modifications, the "total amount of his or her deductions from federal adjusted gross income allowed, other than federal deductions for personal exemptions, as provided in the laws of the United States for the taxable year, *as such deductions existed immediately prior to the enactment of Public Law 115-97* [TCJA]." (Emphasis added.) Therefore, the limiting changes made to 26 U.S.C. § 163(h) with respect to the mortgage interest deduction *not* apply to deductions on New York state tax returns.

However, the total amount of itemized deductions may be reduced based on the taxpayer's filing status and income, as required by § 615(f) and (g).

Note: A husband and wife, both of whom are required to file returns are allowed New York itemized deductions only if both elect to take New York itemized deductions. The total of the New York itemized deductions of a husband and wife whose federal taxable income is determined on a joint return, but whose New York taxable incomes are required to be determined separately, must be divided between them as if their federal taxable incomes had been determined separately.

Statutory section amended 2019.

N.Y. Tax Law § 615 (2019)

New York, Federal Deductions

New York has revised its tax laws to provide that a person's state itemized deduction equals, with certain modifications, the person's federal deductions as they as they existed immediately before the enactment of the TCJA.

However, the total of all itemized deductions is subject to reduction based on income and filing status. *See* **Exceptions and Notes.**

Section amended 2019.

N.Y. Tax Law § 615 (2019)

New York, State-Specific Deductions

There is no state-specific mortgage interest deduction.

North Carolina

North Carolina, Exceptions and Notes

For tax years beginning on or after January 1, 2015 a taxpayer calculating North Carolina taxable income may deduct from adjusted gross income either the state's standard deduction amount or an itemized deduction amount based on the amount the taxpayer claimed under the Internal Revenue Code. The standard deduction amount is based on the taxpayer's filing status. The itemized deduction amount, which is not subject to the overall limitation on itemized deductions under § 68 of the Internal Revenue Code, equals the amount allowed as a deduction for charitable contributions under § 170 of the Internal Revenue Code plus "[t]he amount allowed as a deduction for interest paid or accrued during the taxable year under section 163(h) of the Code with respect to any qualified residence plus the amount allowed as a deduction for property taxes paid or accrued on real estate under section 164 of the Code for that taxable year." The sum of interest and property tax deductions may not exceed $20,000.

For spouses filing as married filing separately or married filing jointly, the total mortgage interest and real estate taxes claimed by both spouses combined may not exceed $20,000.

For spouses filing as married filing separately with a joint obligation for mortgage interest and real estate taxes, the spouse who actually paid these amounts may take the deduction. If the amount of the mortgage interest and real estate taxes paid by both spouses exceeds $20,000, the deductions must be prorated based on the percentage each spouse paid. For joint obligations paid from joint accounts, the proration is based on the income each spouse reported for that taxable year.

Statutory section amended 2019.

N.C. Gen. Stat. § 105-153.5(a) (as amended by N.C. Sess. L. 2019-246, § 1(a); 2019-237; 2019-6)

North Carolina, Federal Deductions

For tax years beginning on or after January 1, 2017, a taxpayer calculating North Carolina taxable income may deduct from adjusted gross income either the state's standard deduction or an itemized deduction amount based on the amount the taxpayer claimed under the Internal Revenue Code. The itemized deduction amount, which is not subject to the overall limitation on itemized deductions under § 68 of the Internal Revenue Code, equals the amount allowed as a deduction for charitable contributions under § 170 of the IRC plus "the amount allowed as a deduction for interest paid or accrued during the taxable year under section 163(h) of the Code with respect to any qualified residence plus the amount allowed as a deduction for property taxes paid or accrued on real estate under section 164 of the Code for that taxable year." The sum of interest and property tax deductions may not exceed $20,000.

Statutory section amended 2019.

N.C. Gen. Stat. § 105-153.5(a) (as amended by N.C. Sess. L. 2019-246, § 1(a); 2019-237; 2019-6)

North Carolina, State-Specific Deductions

For tax years beginning on or after January 1, 2015, the state limits the sum of interest and property tax itemized deductions to no more than $20,000.

Statutory section amended 2019.

N.C. Gen. Stat. § 105-153.5(a) (as amended by N.C. Sess. L. 2019-246, § 1(a); 2019-237; 2019-6)

North Dakota

North Dakota, Exceptions and Notes

North Dakota allows individual taxpayers to claim the same itemized mortgage interest deduction amount for state income tax purposes as the taxpayer claimed for the same tax year on his or her federal income tax return. "North Dakota taxable income" is defined to mean the federal taxable income of an individual (which would be arrived at after subtracting the federal itemized deductions, including the deduction for mortgage interest payments).

Note: For married couples filing jointly, their North Dakota taxable income is reduced by, among other items, "an amount equal to the excess of the recomputed itemized deductions or standard deduction over the amount of the itemized deductions or standard deduction deducted in computing federal taxable income." If the couple elected to deduct itemized deductions in computing their federal taxable income even though the amount of the allowable standard deduction is greater, this reduction is not allowed.

Statutory section amended 2019.

N.D. Cent. Code § 57-38-30.3 (2019)

North Dakota, Federal Deductions

North Dakota allows individual taxpayers to claim the same itemized mortgage interest deduction amount for state income tax purposes as the taxpayer claimed for the same tax year on his or her federal income tax return.

Statutory section amended 2019.

[N.D. Cent. Code § 57-38-30.3 (2019)](#)

North Dakota, State-Specific Deductions

There is no state-specific mortgage interest deduction.

Ohio

Ohio, Exceptions and Notes

In Ohio, state personal income tax is based on the taxpayer's federal adjusted gross income. The Internal Revenue Code, in 26 U.S.C. § 62, defines adjusted gross income as calculated before itemized deductions are subtracted. There are no state-specific deductions for mortgage interest. Accordingly, Ohio does not allow any deduction for mortgage interest on state income taxes.

Statutory section amended 2019.

Ohio Rev. Code § 5747.01 (2019)

Ohio, Federal Deductions

Ohio state personal income tax is based on the taxpayer's federal adjusted gross income, to which further adjustments are made under state law. None of those adjustments includes a deduction for mortgage interest payments.

Statutory section amended 2019.

Ohio Rev. Stat. § 5747.01(A) (2019)

Ohio, State-Specific Deductions

There is no state-specific mortgage interest deduction.

Oklahoma

Oklahoma, Exceptions and Notes

An Oklahoma taxpayer may use his or her federal itemized deductions, as adjusted, to arrive at Oklahoma taxable income. None of the adjustments are related to the property tax deduction.

For tax year 2018 and subsequent tax years, Oklahoma itemized deductions may not exceed $17,000.00 except charitable contributions and medical expenses deductible for federal income tax purposes are excluded from the $17,000.00 cap

Statutory section 2353 amended 2013; § 2358 amended 2019. Regulation amended 2019.

Okla. Stat. tit. 68, §§ 2353, **2358 (2019)**; **Okla. Admin. Code § 710:50-15-50(a), (i) (2019)**

Oklahoma, Federal Deductions

An Oklahoma taxpayer may use his or her federal itemized deductions, as adjusted, to arrive at Oklahoma taxable income. None of the adjustments are related to the mortgage interest deduction.

Statutory section 2353 amended 2013; § 2358 amended 2019. Regulation amended 2019.

Okla. Stat. tit. 68, §§ 2353, **2358 (2019)**; **Okla. Admin. Code § 710:50-15-50(a), (i) (2019)**

Oklahoma, State-Specific Deductions

There is no state-specific mortgage interest deduction.

Oregon

Oregon, Exceptions and Notes

Oregon state taxable income is calculated by starting with the taxpayer's federal taxable income, which is then modified pursuant to state tax law. If in computing federal taxable income for a tax year, the taxpayer deducted itemized deductions, the amount of the itemized deductions is first added to the taxpayer's federal taxable income, less an amount, if any, by which the itemized deductions are reduced under 26 U.S.C. § 68 of the Code. Then the larger of the Oregon standard deduction or the taxpayer's federal itemized deductions (reduced if applicable under § 68 of the Code) are subtracted from federal taxable income. There is no specific adjustment to the itemized deduction amount taken on the federal return or taxable income modification related to the mortgage interest deduction.

As amended in 2019, Oregon law provides that any reference in chapter 316 to the Internal Revenue Code refers to the Internal Revenue Code as amended and in effect on December 31, 2018, or if related to the definition of taxable income, as applicable to the tax year of the taxpayer..

Note that Oregon now has a schedule OR-A for reporting "net Oregon itemized deductions." The state's Tax Guide provides that a person itemizing deductions for Oregon should include Schedule OR-A with his or her Oregon return whether or not the person is itemizing deductions on his or her federal return. The guide states, "You still use federal definitions and AGI to figure any itemized deduction limitations. For more information, see the instructions for Schedule OR-A."

Section 316.695 amended 2015; § 316.680 amended 2018; § 316.012 amended 2019. Tax Guide dated 2018.

Or. Rev. Stat. §§ 316.680, .695(1), .012 (as amended by 2019 Or. Laws ch. 319, § 20) (2017); Ore. Dep't of Rev., *2018 Oregon Publication OR-17 Individual Income Tax Guide* (Dec. 2018) at 92

Oregon, Federal Deductions

Oregon allows individual taxpayers to claim the same itemized real property tax deduction amount for state income tax purposes as the taxpayer claimed for the same tax year on his or her federal income tax return. The state's tax calculations start with federal taxable income, which is determined after any applicable deductions. Although state law adjusts the taxable income and applicable deductions, there are no specific adjustment to the itemized deduction amount taken on the federal return or taxable income modification related to the mortgage interest deduction.

As amended in 2019, Oregon law provides that any reference in chapter 316 to the Internal Revenue Code refers to the Internal Revenue Code as amended and in effect on December 31, 2018, or if related to the definition of taxable income, as applicable to the tax year of the taxpayer.

See **Exceptions and Notes** for additional information regarding possible limitations.

Section 316.695 amended 2015; § 316.680 amended 2018; § 316.012 amended 2019. Tax Guide dated 2018.

Or. Rev. Stat. §§ 316.680, .695(1), .012 (as amended by 2019 Or. Laws 319, § 20) (2017); Ore. Dep't of Rev., *2018 Oregon Publication OR-17 Individual Income Tax Guide* (Dec. 2018) at 92

Oregon, State-Specific Deductions

There is no state-specific mortgage interest deduction.

Pennsylvania

Pennsylvania, Exceptions and Notes

Pennsylvania personal income taxes are calculated based on gross compensation. Therefore, it does not allow most itemized deductions from adjusted gross income permitted under federal law, including the deduction for mortgage interest.

Pa. Dep't of Rev., *Pennsylvania Personal Income Tax Guide*, Deductions and Credits (last visited Dec. 22, 2019)

Pennsylvania, Federal Deductions

Pennsylvania does not allow any deduction for mortgage interest; gross compensation is taxed.

Pa. Dep't of Rev., *Pennsylvania Personal Income Tax Guide*, Deductions and Credits (last visited Dec. 22, 2019)

Pennsylvania, State-Specific Deductions

Pennsylvania does have a state-specific deduction for mortgage interest.

Pa. Dep't of Rev., *Pennsylvania Personal Income Tax Guide*, Deductions and Credits (last visited Dec. 22, 2019)

Puerto Rico

Puerto Rico, Exceptions and Notes

Puerto Rico individual taxpayers have the option of selecting a fixed standard deduction or itemizing deductions. A state-specific itemized deduction for mortgage interest may be claimed. Effective July 1, 2013, the total deduction for mortgage interest on residential property is limited to $35,000, provided that amount does not exceed the greater of:

- 30 percent of the taxpayer's adjusted gross income, as modified by a statutory formula, for the taxable year for which the deduction is claimed; or

- 30 percent of the taxpayer's adjusted gross income, as modified by a statutory formula, for any of the three taxable years preceding the year in which the deduction is claimed.

Note: This limitation does not apply when the taxpayer (or, in the case of a married individual filing a joint return, the taxpayer or his/her spouse) has reached the age of 65 at the close of the taxable year.

Statutory section amended 2015.

P.R. Laws tit. 13, § 30135 (LexisNexis 2019)

Puerto Rico, Federal Deductions

Puerto Rico individual taxpayers may claim a state-specific mortgage interest deduction. The federal deduction is not copied over. *See* **State-Specific Deductions.**

Puerto Rico, State-Specific Deductions

An individual taxpayer may deduct interest, including interest paid by a participating partner who belongs to a housing cooperative association, paid or accrued within the taxable year upon debts incurred by reason of loans for the acquisition, construction or improvements, or refinancing of property, when the loans are totally secured by a mortgage on a property which, at the time in which such interest is paid or accrued, constitutes a qualified residence of the taxpayer.

> **Note:** Interest paid or accrued during the taxable year upon debts incurred by reason of personal loans made for the acquisition, construction or improvement of a housing unit which constitutes a qualified residence, when such residence is not accepted by a financial institution to secure the loan, is also deductible. This provision is more favorable than the federal deduction, which requires that the residence secure the debt.

Effective July 1, 2013, the total deduction for mortgage interest on residential property is limited to $35,000, provided that amount does not exceed the greater of:

- 30 percent of the taxpayer's adjusted gross income, as modified by a statutory formula, for the taxable year for which the deduction is claimed; or

- 30 percent of the taxpayer's adjusted gross income, as modified by a statutory formula for any of the three taxable years preceding the year for which the deduction is claimed.

  Note: This limitation does not apply if a taxpayer (or, in the case of a married individual filing a joint return, the taxpayer or his/her spouse) has reached age 65 at the close of the taxable year).

A "qualified residence" means:

- the principal residence of the taxpayer as defined by statute, except that for purposes of this deduction said residence may be located within or without Puerto Rico; and

- another residence that may be selected by the taxpayer for purposes of this deduction for the taxable year, that is located in Puerto Rico and is used by the taxpayer, by any member of the family or by any other person who may have an interest in such property, as a residence during the taxable year for a number of days which exceeds the greater of:

  - 14 days; or

  - 10 percent of the number of days during such taxable year in which such unit may have been rented at the fair market rental value for the property.

    Note: If, during the period of rental, the property is utilized by the lessor as his principal residence, it shall not be considered that the taxpayer has utilized the same as another residence.

  Note: For purposes of determining whether a residence is a "qualified residence" in the case of spouses who live together at the end of their taxable year and file separate returns for the taxable year, spouses are treated as one taxpayer, and each individual has the right to take into consideration one single residence, unless both give written consent for one of them to take into consideration the principal residence and the other residence.

Statutory section amended 2015.

P.R. Laws tit. 13, § 30135 (LexisNexis 2019)

Rhode Island

Rhode Island, Exceptions and Notes

"Rhode Island taxable income" means federal adjusted gross income as determined under the Internal Revenue Code, after modifications not relevant here, less the amount of the Rhode Island basic standard deduction and personal exemptions. The standard deduction amount depends on filing status and income, and the exemption amount varies according to income. Both amounts are adjusted annually for inflation. Rhode Island does not provide for an itemized deduction related to mortgage interest. R.I. Div. Tax., 2018 Instructions for Filing RI-1040 p. 1-4 ("Rhode Island does not allow the use of federal itemized deductions.")

Whether or not the Rhode Island standard deduction results in a more or less favorable mortgage interest deduction than the itemized deduction for federal tax purposes depends on the amount of interest paid and the total of all federal itemized deductions.

Statutory section amended 2018.

R.I. Gen. Laws § 44-30-2.6(c)(3) (2019);

Rhode Island, Federal Deductions

For the 2011 tax year and thereafter, Rhode Island taxpayers may claim only the Rhode Island standard deduction amount for state income tax purposes. Itemized deductions are no longer allowed. R.I. Div. Tax., 2018 Instructions for Filing RI-1040 p. 1-4 ("Rhode Island does not allow the use of federal itemized deductions.")

Statutory section amended 2018.

R.I. Gen. Laws § 44-30-2.6(c)(3) (2019)

Rhode Island, State-Specific Deductions

Rhode Island does not allow an itemized deduction for mortgage interest. A basic standard deduction applies to state returns for the 2011 tax year and thereafter. *See* **Exceptions and Notes.**

South Carolina

South Carolina, Exceptions and Notes

Under federal law, if a mortgage credit certificate has been issued to the taxpayer and a credit is established pursuant to 26 U.S.C. § 25, the amount of the mortgage interest deduction claimed must be reduced by the amount of such credit for federal tax purposes. *See* 26 U.S.C. § 163(g) ("The amount of the deduction under this section for interest paid or accrued during any taxable year on indebtedness with respect to which a mortgage credit certificate has been issued under section 25 shall be reduced by the amount of the credit allowable with respect to such interest under section 25 (determined without regard to section 26)."). For South Carolina state income taxes, however, it can be added back in. Accordingly, South Carolina's mortgage interest deduction is more liberal than the federal deduction.

Statutory section amended 2007.

S.C. Code Ann. § 12-6-1130(10) (2019)

South Carolina, Federal Deductions

South Carolina taxpayers may deduct mortgage interest to the extent deductible for federal income tax purposes under the Internal Revenue Code, plus the amount of the mortgage interest credit allowable for the tax year under § 25 of the Internal Revenue Code, to the extent the credit decreased the amount of interest deductible for federal tax purposes.

Statutory section amended 2007.

S.C. Code Ann. § 12-6-1130(10) (2019)

South Carolina, State-Specific Deductions

There is no state-specific mortgage interest deduction.

South Dakota

South Dakota, Exceptions and Notes

South Dakota residents are not subject to a state personal income tax. *See* S.D. Dep't of Revenue, *Business Tax Division* (last visited Dec. 7, 2019).

South Dakota, Federal Deductions

South Dakota residents are not subject to a state personal income tax. *See* S.D. Dep't of Revenue, *Business Tax Division* (last visited Dec. 7, 2019).

South Dakota, State-Specific Deductions

South Dakota residents are not subject to a state personal income tax. *See* S.D. Dep't of Revenue, *Business Tax Division* (last visited Dec. 7, 2019).

Tennessee

Tennessee, Exceptions and Notes

Tennessee does not impose a tax on income from salaries or wages. It only taxes dividend and interest income over $1250 for persons filing individual returns and over $2500 for persons filing jointly, as adjusted for inflation beginning January 1, 2016. This tax is fully repealed for any tax year that begins on or after January 1, 2021. There is no mortgage interest deduction.

Statutes amended 2017; guidance dated 2019.

Tenn. Code Ann. §§ 67-2-102, -104 (LexisNexis 2019); Tenn. Dep't of Rev., *2019 Guidance for Tennessee's Hall Income Tax Return* (last visited Dec. 7, 2019)

Tennessee, Federal Deductions

Tennessee does not impose a tax on income from salaries or wages. It only taxes dividend and interest income over $1250 for persons filing individual returns and over $2500 for persons filing jointly, as adjusted for inflation beginning January 1, 2016. This tax is fully repealed for any tax year that begins on or after January 1, 2021. There is no mortgage interest deduction.

Statutes amended 2017; guidance dated 2019.

Tenn. Code Ann. §§ 67-2-102, -104 (LexisNexis 2019); Tenn. Dep't of Rev., *2019 Guidance for Tennessee's Hall Income Tax Return* (last visited Dec. 7, 2019)

Tennessee, State-Specific Deductions

Tennessee does not impose a tax on income from salaries or wages. It only taxes dividend and interest income over $1250 for persons filing individual returns and over $2500 for persons filing jointly, as adjusted for inflation beginning January 1, 2016. This tax is fully repealed for any tax year that begins on or after January 1, 2021. There is no mortgage interest deduction.

Statutes amended 2017; guidance dated 2019.

Tenn. Code Ann. §§ 67-2-102, -104 (LexisNexis 2019); Tenn. Dep't of Rev., *2019 Guidance for Tennessee's Hall Income Tax Return* (last visited Dec. 7, 2019)

Texas

Texas, Exceptions and Notes

Texas residents are not subject to a state personal income tax. Tex. Comptroller of Public Accounts, *A Field Guide to the Taxes of Texas* (Mar. 2019) at 5.

Texas, Federal Deductions

Texas residents are not subject to a state personal income tax. Tex. Comptroller of Public Accounts, *A Field Guide to the Taxes of Texas* (Mar. 2019) at 5.

Texas, State-Specific Deductions

Texas residents are not subject to a state personal income tax. Tex. Comptroller of Public Accounts, *A Field Guide to the Taxes of Texas* (Mar. 2019) at 5.

Utah

Utah, Exceptions and Notes

A Utah taxpayer may be allowed a credit against his or her Utah income tax based on the total of his or her exemptions and adjusted federal itemized deductions or standard deduction. The credit phases out for incomes over a specific amount, based on the taxpayer's filing status.

The credit is calculated as follows:

- for a claimant who takes the standard deduction on his or her federal individual income tax return, the sum of six percent of his or her federal standard deduction and six percent of his or her Utah personal exemption; or

- for a claimant who itemizes deductions on his or her federal individual income tax return, the sum of of the amount of the claimant's Utah itemized deduction and six percent of his or her Utah personal exemption

The tax credit is reduced by $.013 for each dollar by which a claimant's state taxable income exceeds specified income amounts, which are adjusted annually.

"Utah itemized deduction" is defined as "the amount the claimant deducts as allowed as an itemized deduction on the claimant's federal individual income tax return for that taxable year minus any amount of state or local income tax for the taxable year."

Therefore, the itemized deduction for mortgage interest is copied over from the federal return, but is used in calculating a tax credit rather than taxable income. It is not possible to determine whether this is generally a more or less favorable use of the deduction than under federal law, since it is dependent on the individual taxpayer's circumstances.

Statutory section amended 2019.

Utah Code § 59-10-1018 (as amended by 2019 Utah Laws S.B. 2001, § 29 (2d Spec. Sess,)); Utah State Tax Comm'n, *Taxpayer Tax Credit* (last visited Dec. 22, 2019); *see also* 2019 Utah Laws S.B. 2001, § 30 (2d Spec. Sess,) (to be codified as Utah Code § 59-10-1018.1) (tax credit rebate for certain taxable years)

Utah, Federal Deductions

A taxpayer's federal itemized deductions, including the mortgage interest deduction, are not subtracted from adjusted gross income for Utah state income tax purposes, but instead are used in calculating a credit against the Utah tax. See **Exceptions and Notes** for additional information regarding the credit.

Utah State Tax Comm'n, *Taxpayer Tax Credit* (last visited Dec. 22, 2019)

Utah, State-Specific Deductions

A taxpayer's federal itemized deductions, including the mortgage interest deduction, are not subtracted from adjusted gross income for Utah state income tax purposes, but instead are used in calculating a credit against the Utah tax. See **Exceptions and Notes** for additional information regarding this credit. Therefore, the federal itemized deduction is copied over without modification, but is used differently in arriving at the taxpayer's tax liability. There is no state-specific deduction.

Utah State Tax Comm'n, *Taxpayer Tax Credit* (last visited Dec. 22, 2019)

Vermont

Vermont, Exceptions and Notes

In 2017, the Vermont legislature amended the state's laws so that the state's tax calculation began with the taxpayer's federal adjusted gross income instead of his or her federal taxable income. At that time, the state also allowed essentially the same itemized deductions and exemptions as on the federal tax return.

However, the state legislature significantly revised Vermont's tax laws during the 2018 Special Session, and federal itemized deductions, including the mortgage interest deduction, will no longer flow through to Vermont's tax return.

Section amended 2019.

Vt. Stat. Ann. tit. 32, § 5811(21) (as amended by 2019 Vt. Acts. No 71, §§ 1, 2); Vt. Dep't of Taxes, *2018 Vermont Income Tax Guide for Tax Practitioners* (Aug. 2018)

Vermont, Federal Deductions

Starting in 2018, federal itemized deductions will no longer flow through to Vermont's tax return.

Section amended 2018.

Vt. Stat. Ann. tit. 32, § 5811(21) (2019); Vt. Dep't of Taxes, *2018 Vermont Income Tax Guide for Tax Practitioners* (Aug. 2018)

Vermont, State-Specific Deductions

There is no state-specific mortgage interest deduction.

Virgin Islands

Virgin Islands, Exceptions and Notes

The Internal Revenue Code applies in the Virgin Islands under a "mirror system" whereby the "Virgin Islands" is substituted for the "United States" wherever necessary to give the Code the proper effect in the Virgin Islands, and vice versa. Accordingly, the itemized deductions available under federal tax law, including the mortgage interest deduction, are also available under the tax law of the U.S. Virgin Islands.

V.I. Bureau of Internal Revenue, *Tax Structure Booklet of the U.S. Virgin Islands*, p. 5 (2016)

Virgin Islands, Federal Deductions

The itemized deductions available under federal tax law are available under the U.S. Virgin Islands' territorial tax law, including the mortgage interest deduction. *See* **Exceptions and Notes.**

V.I. Bureau of Internal Revenue, *Tax Structure Booklet of the U.S. Virgin Islands*, p. 5 (2016)

Virgin Islands, State-Specific Deductions

There is no territorial-specific mortgage interest deduction.

Virginia

Virginia, Exceptions and Notes

For state income tax purposes, Virginia taxable income is defined as the taxpayer's federal adjusted income for the taxable year, less the amount allowable for "itemized deductions for federal income tax purposes where the taxpayer has elected for the taxable year to itemize deductions on his federal return, but reduced by the amount of income taxes imposed by the Commonwealth or any other taxing jurisdiction and deducted on such federal return"

Sections amended 2019.

Va. Code Ann. §§ 58.1-322, -322.03 (2019)

Virginia, Federal Deductions

Virginia allows individual taxpayers to claim the same itemized mortgage interest deduction amount for state income tax purposes as the taxpayer claimed for the same tax year on his or her federal income tax return.

As amended in 2019, § 58.1-301 provides that references to the federal laws related to federal income taxes means "the provisions of the Internal Revenue Code of 1954, and amendments thereto, . . . as they existed on December, 2018."

Sections amended 2019.

Va. Code Ann. §§ 58.1-301, -322, -322.03 (2019)

Virginia, State-Specific Deductions

There is no state-specific mortgage interest deduction.

Washington

Washington, Exceptions and Notes

Washington residents are not subject to a state personal income tax. Wash. Dep't of Revenue, *Income Tax* (last visited Dec. 7, 2019).

Washington, Federal Deductions

Washington residents are not subject to a state personal income tax. Wash. Dep't of Revenue, *Income Tax* (last visited Dec. 7, 2019).

Washington, State-Specific Deductions

Washington residents are not subject to a state personal income tax. Wash. Dep't of Revenue, *Income Tax* (last visited Dec. 7, 2019).

West Virginia

West Virginia, Exceptions and Notes

West Virginia does not allow a deduction for mortgage interest payments. "The State of West Virginia does not recognize itemized deductions for personal income tax purposes.

Consequently, itemized deductions claimed on the federal income tax return cannot be carried to the West Virginia return."

W.V. Dep't of Tax Form IT-140, *2018 Personal Income Tax Forms & Instructions*, at 16

West Virginia, Federal Deductions

West Virginia does not allow a deduction for mortgage interest payments. "The State of West Virginia does not recognize itemized deductions for personal income tax purposes. Consequently, itemized deductions claimed on the federal income tax return cannot be carried to the West Virginia return."

W.V. Dep't of Tax Form IT-140, *2016 Personal Income Tax Forms & Instructions*, at 16

West Virginia, State-Specific Deductions

West Virginia does not allow a deduction for mortgage interest payments. "The State of West Virginia does not recognize itemized deductions for personal income tax purposes. Consequently, itemized deductions claimed on the federal income tax return cannot be carried to the West Virginia return."

W.V. Dep't of Tax Form IT-140, *2017 Personal Income Tax Forms & Instructions*, at 16

Wisconsin

Wisconsin, Exceptions and Notes

While they may not use the mortgage interest deduction to reduce adjusted gross income, Wisconsin taxpayers may use the federal itemized mortgage interest deduction in calculating an "itemized deduction credit" against their tax liability if the total of certain federal itemized deductions exceeds their Wisconsin standard deduction. When computing an itemized deduction credit, a taxpayer may not include interest paid to purchase a second home located outside of Wisconsin or mortgage insurance premiums treated as interest.

Statute amended 2019.

Wis. Stat. Ann. § 71.07(5) (2019); Wis. Dep't of Revenue, *Wisconsin Income Tax Form 1 Instructions 2018*, at p. 31

Wisconsin, Federal Deductions

A Wisconsin taxpayer may use the federal itemized mortgage interest deduction in calculating an "itemized deduction credit" against his or her tax liability if the total of certain federal itemized deductions exceeds the taxpayer's Wisconsin standard deduction. When computing an itemized deduction credit, a taxpayer may not include interest paid to purchase a second home located outside of Wisconsin or mortgage insurance premiums treated as interest.

Statute amended 2019.

Wis. Stat. Ann. § 71.07(5) (2019); Wis. Dep't of Revenue, *Wisconsin Income Tax Form 1 Instructions 2018*, at p. 31

Wisconsin, State-Specific Deductions

If the total of certain federal itemized deductions exceeds a taxpayer's Wisconsin standard deduction, he or she may use the federal itemized mortgage interest deduction in calculating an "itemized deduction credit" against his or her tax liability. When computing an itemized deduction credit, a taxpayer may not include interest paid to purchase a second home located outside of Wisconsin or a residence which is a boat, or mortgage insurance premiums treated as interest.

Note: Taxpayers who did not itemize deductions for federal tax purposes, may use the amounts that would be deductible if they had itemized deductions, in which case they must complete a federal Schedule A, write "Wisconsin" at the top, and file it with their state return.

Statute amended 2019.

Wis. Stat. Ann. § 71.07(5) (2019); Wis. Dep't of Revenue, *Wisconsin Income Tax Form 1 Instructions 2018*, at p. 31

Wyoming

Wyoming, Exceptions and Notes

Wyoming residents are not subject to a state personal income tax. Bankrate, *State Taxes: Wyoming* (last visited Dec. 7, 2019).

Wyoming, Federal Deductions

Wyoming residents are not subject to a state personal income tax. Bankrate, *State Taxes: Wyoming* (last visited Dec. 7, 2019).

Wyoming, State-Specific Deductions

Wyoming residents are not subject to a state personal income tax. Bankrate, *State Taxes: Wyoming* (last visited Dec. 7, 2019).