

Interest Expense Deduction

Effective 2009

Nature of Debt	Not Deductible	Itemized Deduction	Business or Above-the-Line Deduction
Consumer or Personal	■		
Qualified Residence ¹		■	
Taxable Investment ²		■	
Tax-Exempt Investment	■		
Trading Activities			■
Business Activities			■
Passive Activities ³			■
Education Loans ⁴			■

¹*Including a Second Home*

²*Limited to Net Investment Income*

³*Generally Limited to Passive Income*

⁴*Subject to Certain Limitations*

NOTE:

Other rules may limit the amount or your ability to deduct the various type of interest expense.

Source: U.S. Internal Revenue Code