May an individual deduct the fees charged by a bank with respect to an interest bearing account on which checks may be drawn?

It depends. Fees charged by a bank for the privilege of writing personal checks rather than for maintaining the interest-bearing account are personal in nature and are not deductible.[[1]](#footnote-1) However, fees charged by a bank for the management of a money market deposit account, which requires a minimum balance and limits check writing and pre-authorized transfers, are treated as a “miscellaneous itemized deduction” because they are paid or incurred by the individual for the management, conservation, or maintenance of investments held for the production of income.[[2]](#footnote-2)

“Miscellaneous itemized deductions” are deductible only to the extent that the aggregate of all such deductions exceeds 2 percent of adjusted gross income.

1. Rev. Rul. 82-59, 1982-1 CB 47. [↑](#footnote-ref-1)
2. Let. Ruls. 8345067, 8423008. [↑](#footnote-ref-2)