

# Tax facts to make your head spin

By Gregg Greenberg

Source: [IdealTax](#)

Did you know **Texas** levies a tax on belt buckles of 6.25% but doesn't tax the belts themselves? Nor does it tax cowboy boots or hats. That's because the buckle is considered an accessory and not a critical item of clothing.

Along similar lines, buying a whole bagel in **New York** is tax-free. However, if you want your bagel sliced or served with cream cheese, there's an additional tax because it's considered a sandwich.

Oh yes, in **Kansas**, an untethered hot air balloon ride is tax-exempt, while a tethered one is not. Figure that one out!

Yep, there's no doubt that the tax codes in America can be pretty taxing if you really think about them. Here are a few tax facts that might surprise you.

## *Truly strange tax deductions*

The IRS allows for some highly unusual deductions. For instance, if an orthodontist prescribes clarinet lessons to correct your overbite, they can be deducted as a medical expense.

## *The tax code is monumentally huge*

The U.S. tax code is over 10.1 million words, longer than the entire Game of Thrones series combined

## *Taxes weren't always mandatory*

The first U.S. income tax was imposed during the Civil War to cover war expenses. Decades later, the 16th Amendment, ratified in 1913, made a federal income tax a permanent fixture.

### ***Some states don't have an income tax***

Seven states — Alaska, Florida, Nevada, South Dakota, Texas, Washington and Wyoming — do not levy state income tax. Meanwhile, Tennessee and New Hampshire tax only interest and dividend income, not earned income.

### ***Not all income is taxed equally***

Not all income is subject to the same taxes. Long-term capital gains and qualified dividends are taxed at a lower rate than ordinary income.

### ***Pets can't be claimed as dependents***

Pets can't be claimed as dependents. However, if your pet is a service animal or if it's used in business, like a guard dog, those related expenses might be deductible.

### ***Billionaires who pay little to no income tax***

Some of the wealthiest people in the United States may pay little to no federal income tax. Thanks to the preferential tax treatment of investment income over wage income, it's entirely possible for billionaires to legally limit their federal income tax liability.