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### Welcome!

You are reading *The Voice*, the e-mail newsletter of The Special Needs Alliance. This installment was written by Special Needs Alliance member [Robert Fleming](#), of Tucson, Arizona. Mr. Fleming is a partner in the law firm of [Fleming & Curti, PLC](#). In addition to his membership in the Special Needs Alliance, Mr. Fleming is a Fellow of the [American College of Trust and Estate Counsel](#) and of the [National Academy of Elder Law Attorneys](#). He writes and lectures widely on special needs and elder law issues, including [taxation of special needs trusts](#).

### Income Tax Benefits for Families With Special Needs Children



**Introduction:** April 15 is almost upon us, but many families and individuals are still preparing tax returns. In addition to suggestions for this year's income tax returns, we can offer some suggestions to keep in mind for future years.

Income tax deductions for families with special needs children was also the topic of a recent ABC News *Good Morning America* segment featuring Special Needs Alliance member [Bernard Krooks](#) from New York City. You can watch the [national television interview online](#) to check out some of the important tax pointers.

**Deduction for Dependents.** The most common, and often the most important, income tax benefit is the deduction provided for an individual who is dependent on you for support. Of course minor children, whether suffering from a disability or not, provide dependent deductions. Not all parents realize that adult children with a disability can also qualify as dependents for income tax purposes, as well.

In fact, not only children of the taxpayer qualify as dependents. A stepchild, foster child, grandchild, nephew, niece or sibling can also be a dependent. The taxpayer must provide more than half of the dependent's support, and the dependent's own income can not exceed the exemption amount (\$3,400 for tax year 2007, and \$3,500 in 2008).

If a married but dependent child files a joint income tax return, he or she can not qualify as a dependent on your return. Similarly, if he or she is not a U.S. citizen or resident, or a citizen of Canada or Mexico, the dependent deduction is not available.

There are a few other categories available, so even if the dependent is not described here it may be worth making further inquiry. The key

element: if you provide more than half of the support for another person, you may be able to list them as a dependent on your tax return.

**Medical Conferences and Seminars.** Did you attend a specialized program to learn more about your child's disability and treatment? If so, you may be able to deduct the registration fees and travel costs as medical expenses. To perfect this deduction, you should have your child's doctor give you a written recommendation for the seminar. Make sure the program is specific to the condition from which your child suffers, as a general program about healthy practices or living will not qualify.

**School Expenses.** If your child attends a special school designed to prepare him or her to compensate for or overcome a disability, the school costs may be a deduction. The key element here is that the program must be specifically geared toward helping your child prepare for future mainstream education or living arrangements. It is not enough that the school is specialized and offers supportive and focused education. If, however, the school is properly focused tuition may qualify as a medical deduction.

Remember that all medical deductions must exceed 7.5% of your income before the deduction is available at all (for federal tax purposes -- state taxes may have different limits or no limitations). What kinds of specialized schools qualify? The IRS has provided a few specific examples, including Braille or lip reading programs, focused training programs for the developmentally disabled, boarding schools for the psychologically disabled and staffed by psychiatrists, psychologists and social workers.

**Work Expenses.** Do you suffer from a disability yourself? Does your child earn enough income to be required to file an income tax return? You might need to consider deductions for expenses that enable the person with disabilities to maintain employment.

Deductions in this category might include attendant care or adaptive equipment. The most important element: these expenses are categorized as unreimbursed employee expenses, not medical expenses. That means they are not subject to the 7.5% limitation on the latter category.

**Conclusion:** These are only a few of the income tax deductions available to individuals with disabilities and the family members who provide their support. If you have questions about the specifics of any of these, you should contact your accountant or an attorney familiar with income tax and disability issues.

Another important resource: the [Internal Revenue Service](#) website. Perhaps surprisingly, it is helpful, easy to navigate and well constructed. One good entry point: the [IRS "frequently asked questions"](#) (FAQ) page.

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Contact information for a member in your state may be obtained by calling toll-free (877) 572-8472, or by visiting [www.specialneedsalliance.com](http://www.specialneedsalliance.com).