

Tax Credits for Disability and Special Health Care Related Expenses

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It's that time of the year again! **TAX SEASON!** For people with disabilities as well as parents of children with special health care needs, you may wonder if there are expenses you paid throughout the year that you can claim on your taxes. We all want to be able to get all allowable tax credits so our tax liability is as minimum as possible. Heck, maybe even get a refund. I am not a tax expert, but after hearing about it from other parents and doing my own research, especially since my son is working, I decided to pass the information along to you.

For Persons' with a disability, you may qualify for some of the following tax deductions, income exclusions, and credits:

Standard Deduction: You may be entitled to a higher standard deduction on your tax return if you are legally blind.

<https://www.irs.gov/pub/irs-pdf/p501.pdf> (page 21)

Gross Income: This could include compensatory damages for a physical injury or sickness; a permanent loss, or the loss of the use, of a part or function of your body; or a permanent disfigurement.

<https://www.irs.gov/pub/irs-pdf/p525.pdf> (pg. 19)

Impairment-Related Work Expenses: You may be able to deduct as a miscellaneous deduction some of your work expenses related to your impairment only if you have a physical or mental disability that limits your ability to function as an employee, such as on-the-job attendant, screen reader, or a sign language interpreter.

<https://www.irs.gov/pub/irs-pdf/p529.pdf> (page 13)

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Credit for the Elderly or Disabled: If you were under 65 at the end of the calendar year,

- Permanently and totally disabled, and
- You received taxable disability income, and
- You have not reached mandatory retirement age.

<https://www.irs.gov/pub/irs-pdf/p524.pdf>

Medical Expenditures: Home improvements and additions that are added primarily for medical care, such as ramps or elevators, widening doors, lowering kitchen cabinets and equipment, adding hand rails or grab bars, etc. The cost of certain educational services and equipment as medical expense are also allowable, such as Braille books, amounts paid to purchase, train, and maintain a dog or other service animals.

<https://www.irs.gov/pub/irs-pdf/p502.pdf> (page 6)

AS PARENTS OF A CHILD WITH SPECIAL HEALTH NEEDS, you may qualify for these tax Exemptions, deductions, and credits:

DEPENDENTS: Parents can claim your totally and permanently disabled child as an exemption, regardless of age, even if your child received income for work performed at a sheltered workshop. You may still be able to claim them as a dependent if your child receives SSI.

**IRS Publication 501: Exemption, Standard Deduction, and Filing Information Child or Dependent Care Credit

<https://www.irs.gov/pub/irs-pdf/p501.pdf> (page 19, page 13)

EARNED INCOME TAX CREDIT (EITC): This is a refundable tax credit for working parents with low to moderate earning.

**IRS Publication 596: Earned Income Credit

<https://www.irs.gov/pub/irs-pdf/p596.pdf>

MEDICAL EXPENDITURES: Below are some existing tax credits and benefits that may be available.

- ◆ Special schools and special education services
- ◆ Aides that a child may require to benefit from education
- ◆ Exercise programs (only if recommended by a medical professional)
- ◆ Transportation to and from special schools or therapy sessions

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- ◆ Equipment, devices, and supplies necessary to treat or alleviate a medical condition (this could include technology/communication devices).
- ◆ Doctors' office co-pays, evaluations, as well as travel to and from appointments
- ◆ Medications
- ◆ Home renovations (as long as they are medically necessary)
- ◆ Workshops and seminars for parents that focus on the child's special needs, as well as travel to and from, but not the lodging or meals
- ◆ Cost of buying, training, and maintaining a guide dog or other service animal (including food, grooming, and veterinary care)
- ◆ Special foods if your child is prescribed a gluten- or casein-free diet; as long as it's medically recommended and you have a doctor's note or certification. It would be allowable if the cost of the specialty foods over and above what you would normally pay
- ◆ Legal expenses related to your child's special needs (i.e. if you hire an attorney to help you prove that your child's medical expenses are legitimate)

It is especially important to document and keep receipts of everything you purchase or services you paid for. You never know when the Internal Revenue Services (State or Federal) may audit your tax return and ask for verification of those expenditures.

****_IRS Publication 502: Medical and Dental Expenses Medical Expenditures**

<https://www.irs.gov/pub/irs-pdf/p502.pdf>

ADOPTION CREDIT: You may be able to claim a tax credit for expenses paid to adopt a child and may increase if the child w/ special needs.

****Adoption Credit: North American Council on Adoptable Children**

<https://www.nacac.org/taxcredit/taxcredit2015.html>

****TAX ACT: Adoption Credit and Exclusion Form 8839 Child w/ Special Needs**

<https://www.taxact.com/support/997/adoption-credit-and-exclusion-form-8839-child-with-special-needs/>

If you are unsure about tax credits, ask your tax preparer, accountant or Internal Revenue Service (IRS).

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