

Families with special needs may want to seek tax advice to maximize benefits

As the April 15 tax deadline quickly approaches, Littman Krooks LLP urges parents of children with special needs to consult a tax expert on the unique deductions that may be available to them. Special schools, medical care, and supportive therapies can cost special needs families thousands of dollars a year, and

- Tuition costs for specialized schools
- Costs for therapies not covered by insurance (e.g., occupational, speech or physical therapy)
- Diagnostic evaluations
- Transportation expenses for medical travel and transportation
- Costs for medical conferences and seminars attended by a parent to better understand a child's condition (e.g., travel, hotel, conference registration)
- Home improvements (e.g., ramps, elevators, etc.) made in response to a disability and/or medical condition that do not otherwise increase the value of the home.



research shows that up to 30 percent of these families may not be taking advantage of tax relief opportunities.

"Families that have loved ones with special needs have busy, complicated lives juggling public benefits, worrying about special education, attending to medical needs and more," observes Bernard A. Krooks, managing partner of Littman Krooks. "While it's easy to understand how they might not feel they have time to focus on tax issues, they owe it to themselves to get professional assistance."

Medical expenses, which can be astronomical for special needs families, are deductible when they exceed 7.5 percent of adjusted gross income. The key to reaching that 7.5 percent is being aware of the deductions that are available, including:

In many cases, friends or relatives of special needs families may want to help out with costly medical expenses. Typically, there is a \$13,000 limit on gifts before they are taxable, but if the money is paid directly to the medical facility or provider, an unlimited amount can be given without being taxed.

Additionally, families should know there is no age limit associated with claiming a person with special needs as a dependent, as long as the family provides at least 50 percent of their support and the person lives with the family at least half the year. Families can also claim a tax credit for the amount they pay an individual to care for a dependent with special needs, as long as their household income is below a certain level (determined by the number of dependents with a disability in the household).

"Detailed record-keeping is critical," points out Krooks. "Co-payments, receipts for relevant travel, therapy bills—everything must be itemized in order to support deductions."