



Things to Think About!

Income Taxes and the Special Needs Family By Linda Jorgensen

The dreaded tax season is almost upon us. It's January and all over the country taxpayers are beginning to ramp up their preparations for the 2009 tax filing season. Locating receipts, gathering documents, figuring out which IRS forms to file and waiting for the annual W-2 form from employers to arrive in the mail in readiness for that all important appointment with the tax preparer.

Many families keep a regular file for tax information gathered over the year while others find they must make a mad scramble at the end of the year to find all the information they need in order to file by the April 15th deadline. For many families a more organized approach reaps the most benefits. Why? Because they itemize their tax deductions and file the long form using information that has been saved all year long just for this purpose.

According to the **2008 IRS Data Book** 250,373,521 total Federal income tax returns were filed for the 2008 tax year, an increase of 6% over the number filed in 2007. A large majority of those filing taxes in the past year did not receive the full refund amount they were entitled to, or paid a higher tax than necessary. Numbers of individuals filing tax returns but over paying or not receiving full refunds are estimated to be as high as 60% of total filers in the U.S. This number has not changed in over 5 years.

The difference between owing taxes and receiving a refund check often comes down to one word. Deductions.

You can always file a standard deduction, which is often the best bet for people with simple tax situations. But depending on your mortgage interest, charitable gifts, medical expenses, state taxes and other deductions your actual deductions could be several times the standard deduction, in which case you are missing out if you don't itemize.

Simple record keeping or accounting errors could be keeping you from receiving the full refund amount owed to you.

All Medical and Dental deductions for Federal income taxes are figured using the **IRS Publication 502 Medical and Dental Expenses**. Each state has its own formula for the amount of medical and dental expenses which are deducted using the Federal Guidelines as the basis for what is and is not deductible in that state. Given the current economic climate state income tax rates are in an almost constant state of flux, making it difficult for residents to keep track of current tax allowances. Consulting with a professional tax accountant may be an excellent choice when preparing this year's taxes.

To help you search for deductions, here is a list of medical and dental items that are often overlooked. Some are also new for this tax year.

Certain Home Improvements. These must be made to a home to accommodate the disabled condition of you, your spouse, or dependant. These improvements can include but are not limited to

- Constructing entrance and exit ramps
- Widening doorways and adapting thresholds to meet ADA standards
- Modifying hardware on door.
- Adding handrails or safety bars anywhere (does not have to be limited to the bathroom only. Handrails are often appropriate in the kitchen, as a second side rail on stairs and in bedrooms)

Car. Costs of special hand controls or other special equipment used to transport someone with a disability. The difference between the cost of a regular car and a car/van specially designed to hold a wheelchair.

Guide Dog. You can include the cost of a dog or other animal trained to assist persons with physical disabilities. Amounts you pay for the care of these specially trained animals are also medical expenses.

Lead-Based Paint Removal. You can include in medical expenses the cost of removing lead-based paints from surfaces in your home to prevent a child who has or had lead poisoning from eating the paint. These surfaces must be in poor repair (peeling or cracking) or within the child's reach. The cost of repainting the repaired area is NOT a medical expense.

Lodging. Costs of meals and lodging when receiving treatment essential to medical care but not provided by the treatment facility.

Medical Conferences. The medical conference must be primarily for and necessary to the medical care of you, your spouse, or your dependant. The majority of the time spent at the conference must be in attending sessions providing medical information.

Caution! Meals and lodging while attending the conference is NOT deductible as a medical expense.

Special Education. You can include in medical expenses fees you pay on a doctor's recommendation for a child's tutoring by a teacher who is specially trained and qualified to work with children who have learning disabilities caused by mental or physical impairments, including nervous system disorders. Costs can include tuition, meals and lodging for schools away from home, etc. A doctor MUST recommend that the child attend the school.

Caution! You cannot include in medical expenses the cost of sending a child to a school where the availability of medical care/treatment is not a principle reason for sending the student there.

Transportation. These requirements have changed this year. You can include in medical expenses amounts paid for transportation primarily for, and essential to, medical care. You can include:

- Bus, taxi, train, or plane fares or ambulance service,
- Transportation expenses of a parent who must go with a child who needs medical care,

- Transportation expenses of a nurse or other person who can give injections, medications, or other treatment required by a patient who is traveling to get medical care and is unable to travel alone, and
- Transportation expenses for regular visits to see a mentally ill dependent if these visits are recommended as part of the treatment.
- Out-of-pocket expenses, such as the cost of gas and oil, when using a car for medical reasons. OR, for 2009 you can use the standard medical mileage rate of 24 cents a mile.
- Parking fees or tolls.

(Please see IRS Publication 502 Medical and Dental Expenses (Including the Health Coverage Tax Credit) 2009 Returns for full information)

It is important for families with ongoing medical costs to keep records of their expenses on file during the year. At tax time this information will be vital in preparing your claim.

SNRP suggests a professional tax preparer would be most helpful in preparing an itemized tax return. A trained tax accountant can help answer questions and assist you in gaining the full refund due you.

We have sampled just a few of the many deductions, medical and otherwise, that may be available to you. With some effort in research and consulting with a tax professional, you can identify the deductions that apply to you. For a more comprehensive of possible deductions go to the IRS link at left and click on publication 502.

If there is anything that is not discussed in our newsletters and you would like to see it discussed, or you would like to be added to our newsletter mailing list, please contact us at snrproject@hotmail.com