PRESENTED AT

19th Annual Changes and Trends Affecting
SPECIAL NEEDS TRUSTS

February 9-10, 2023
Austin, Texas

Deductibility of Long-Term Care As Medical Expenses: Income Tax Planning for Long-Term Care

Tresi Moore Weeks

Tresi Moore Weeks
The Weeks Law Firm, PLLC
5600 Tennyson Pkwy, Suite 105
Plano, TX 75024
tresi@weekslawfirm.com
214-269-4290

Table of Contents

APPENDIX LIST

APPENDIX "A"	IRS Pub. 501 Standard Deduction Table for 2022
APPENDIX "B"	IRS Pub. 501 Dependents, Standard Deduction and Filing Information
APPENDIX "C"	IRC Sec. 213 Medical Expenses
APPENDIX "D"	12 CFR Sec. 1-213-1
APPENDIX "E"	IRC Sec. 7702B--Treatment of Qualified Long-term Care Insurance
APPENDIX "F"	IRS Notice 97-31 Long-Term Care Services and Insurance
APPENDIX "G"	Certification of Chronically Ill Person
APPENDIX "H"	IRC Sec. 152 Dependent Defined
APPENDIX "I"	IRS Taxable Income of Social Security
APPENDIX "J"	IRS Taxation of Social Security
APPENDIX "K"	IRS Schedule 8812 Child and Other Dependents Tax Credit
APPENDIX "L"	Instructions for Schedule 8812 For Credits for Children and Other Adults
APPENDIX "M"	IRS Standard Deduction Worksheet for Dependents

Deductibility of Long-Term Care as Medical Expenses: Income Tax Planning for Long-Term Care

Tresi Moore Weeks
The Weeks Law Firm, PLLC
5600 Tennyson Pkwy, Suite 105
Plano, TX 75024
214-269-4290
www.weekslawfirm.com

I. INTRODUCTION

When planning for an individual with disabilities and their family, we can consider how to maximize the funds available to them by taking advantage of all available income tax deductions and credits. Many families are stretched beyond their means when caring for a loved one who is disabled. If we are able to direct them to tax deductions or credits, we benefit the families.

Most families are not aware that costs for long-term care services may be deductible as a medical expense by a chronically ill individual. A relative of the individual may be able to take the medical expense deduction as if it were their own if the disabled person qualifies as a dependent. Home health care by a non-professional may also be deductible, depending upon who is providing the service and the nature of the service.

Other ways to reduce income tax include taking a tax credit for dependent children or disabled adults, deductions for long-term care insurance premiums, and possibly reducing the income tax incurred from inherited IRAs.

II. MEDICAL EXPENSE DEDUCTION

A. AMOUNT OF THE DEDUCTION

To help offset some of the cost of medical care, a taxpayer can deduct expenses incurred for medical care to the extent that the expenses exceed 7.5% of their adjusted gross income (AGI) under Internal Revenue Code (IRC) § 213.[1] The medical expense deduction is only available as an itemized deduction and must not be otherwise compensated by insurance or other means.[2] The high cost of long-term care expenses often means that an itemized deduction may be more beneficial to a taxpayer than taking the standard deduction.

---

[1] I.R.C. § 213(a)
[2] *Id.*

Title search: Deductibility of Long-Term Care as Medical Expenses

Also available as part of the eCourse
2023 Special Needs Trusts eConference

First appeared as part of the conference materials for the
19th Annual Changes and Trends Affecting Special Needs Trusts session
"Deductibility of Long-Term Care as Medical Expenses"