

DEDUCTIBILITY OF LONG-TERM CARE AS MEDICAL EXPENSES



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Special Needs Trust
Conference
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1

1

INTRODUCTION



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2

2

INTRODUCTION

- Maximize funds available to our clients
- Income tax deductions and credits
- How long-term care expenses can be deducted from income tax as medical expenses

INTRODUCTION

- Costs for long-term care deductible
 - For Chronically Ill Individual—who qualifies
 - Deduction taken by individual or relative if individual is a dependent
 - Who qualifies as a Dependent
 - In-home caregivers—what is deductible, what is not
 - How to deduct long-term care insurance premiums

MEDICAL EXPENSE DEDUCTION

- Amount of Deduction
 - If not compensated by insurance or other means
 - For those who itemize
 - Deduct expenses in excess of standard deduction
 - (\$13K/26K)
 - To extent they exceed 7.5% of AGI

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5

5

MEDICAL EXPENSE DEDUCTION

- Single taxpayer with \$100K AGI
- Pays \$15K mortgage interest, property and sales tax, so can itemize
- Supports person with disabilities-\$50K long term care
- Medical expense deduction \$42,500 (50,000-7500)



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6

6

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