

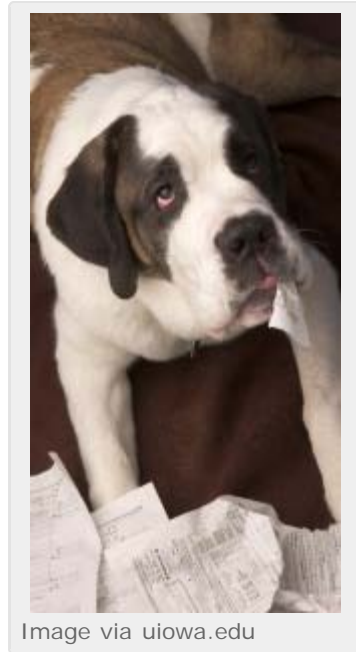


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THE TAX LAWYER

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### Claiming Fido On Your Taxes



Are you getting tax benefits from your pets? Probably not, and the IRS is unlikely to help. But Congress might. A proposed tax bill would allow tax deductions for pets even though they can't be claimed as dependents like people. See [Strange But Legit Tax Deductions](#).

The bill, [H.R. 3501](#), was introduced as the “Humanity and Pets Partnered Through the Years” (HAPPY Act) and would allow deductions of up to \$3,500 a year for pet expenses. It was introduced by Michigan Rep. Thaddeus McCotter and co-sponsored by Rep. Steve Cohen of Tennessee and Rep. Jared Polis of Colorado.

Help for people with pet expenses is not a new idea, but the HAPPY Act was at least a serious—though so far unsuccessful—effort. But is it going anywhere? It seems doubtful, perhaps little more than wishful thinking. See [Congress Bites At Pet Exemption](#).

Introduced in 2009, HAPPY has languished in Congress despite endorsements by the Humane Society of the United States, the American Society for the Prevention of Cruelty to Animals, the Animal Law Coalition, the American Veterinary Medical Association and the Pet Industry Joint Advisory Council.

**Qualifying Pets.** The bill limits tax benefits to true pets, not business animals. Excluded are research animals and animals involved in a trade or business, such as farm animals that have been the subject of another type of tax deduction within the preceding 3 years. The law as proposed would not be limited to small animals or even any particular type of animal.

**Deductible Expenses.** “Qualified pet care expenses” would include food, vet costs, etc. but excludes the costs of acquiring the pet. Whether your pets are rescues or expensive purebreds, you probably love them like members of the family. And that should mean tax deductions, shouldn't it?

You can't mention this topic without crowing about [Cat Lady Goes To Tax Court](#), the big [Tax Court decision](#) that could embolden legions of animal lovers. Disagreeing with the IRS, the Tax Court upheld the cat lady's charitable contribution deduction for unreimbursed monies she laid out to care for a passel of cats—sometimes 70 or 80—in her 1,400 square foot home. Although she had seven pet (personal) cats too, the Tax Court said 90 percent of her veterinary and pet supply expenses and 50 percent of her cleaning supply and utility expenses were for the foster cats. That meant charitable contribution deductions.

For most of us, though, we'll probably have to wait until Congress changes the law.

For more, see:

[Pet Care Expenses Tax Deduction, Proposed Law.](#)

[A Tax Break For Pet Owners](#)

[The HAPPY Act](#)

[The Pet Culture](#)

[Tax Tip: Deduct Your Pet](#)

[Can Your Pet Save You on Your Taxes?](#)

[Unleashing Deductions for Your Pets](#)

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