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Claiming Your Pets As Dependents?

Are you getting good tax benefits from your pets? Probably not. At least one law was proposed in 2009 to allow tax deductions for pets even though they can't be claimed as dependents. See [Pet Care Expenses Tax Deduction, Proposed Law](#).



Having at least one rescue animal in tow may be politically correct, and some even act as if they are an essential fashion accessory. Still, whether your pet(s) are rescues or expensive purebreds, you probably love them like a member of the family. That's what they are, after all.

And that should mean tax deductions, shouldn't it? Laura Saunders, who writes great tax columns for the Wall Street Journal, recently covered [Unleashing Deductions for Your Pets](#), and it's worth a look. Of course, you can't mention this topic without crowing about [Cat Lady Goes To Tax Court](#), the big [Tax Court decision](#) that may well 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 (and therefore 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.

Saunders lists other ways you might generate tax deductions via your furry friends:

- **Moving Expenses**. In the scheme of your own moving expenses, pet moving is likely inexpensive. Still, even the IRS says you can sometimes deduct the costs of moving your pet. See [IRS Publication 521](#). What's more, this is an above-the-line deduction, meaning that it isn't subject to [AMT](#).
- **Business Expenses**. The cost of animals used in a business like a guard dog may be deductible as long as the company can show they are "ordinary and necessary" costs of doing business. The clearest case would be paying an outside security service, but many expenses for your own animals could still qualify. The business expense category is a wide one as long as your record-keeping and documentation is good.
- **Service Animals**. The cost of acquiring or caring for a service animal such as a guide dog is eligible for a medical deduction. See [IRS Publication 502](#). For more on medical expenses, see [Medical Expense Tax Missteps](#) and [Tax Breaks For Alcoholics, But Not Weight Watchers](#). Unfortunately, medical expense deductions are subject to high thresholds and often turn out not to yield tax savings.
- **Estate Expenses**. Fees to maintain a pet while an estate is being settled may be deductible if the animal has monetary value, such as a purebred dog. And some animals have special value. Who can forget Leona Helmsley who earned notoriety in estate planning with her [\\$12 million bequest](#) to her beloved Maltese named Trouble. Expenses for security of estate property like a guard dog may also qualify for deductions.

For more, see:

[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?](#)

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