

## News

# Assisted Living Services May be Tax-Deductible



Residents, family, and others who pay for an individual's care in an assisted living community may be eligible to deduct these expenses for federal income tax purposes. Such information gives providers another tool regarding the affordability of assisted living when working with seniors and their family members ...

The Internal Revenue Code has expanded the definition of medical expenses to include certain "maintenance or personal care services" provided to "chronically ill" individuals. Generally expenses can be tax-deductible if such services are provided pursuant to a plan of care prescribed by a licensed health-care practitioner, and the personal care services are required by a person who:

- is unable to perform at least two activities of daily living without assistance, or
- has severe cognitive impairment (as a result of Alzheimer's or similar form of dementia) and requires supervision to protect self and others from health and safety threats.

Providers cannot provide tax advice; rather, they should advise consumers to consult a personal tax advisor, tax preparer, or the IRS for information specific to their needs.

Details are available in two IRS documents: Tax Topic 502 (Medical and Dental Expenses) and Publication 502 (Medical and Dental Expenses PDF). Go to [www.irs.gov](http://www.irs.gov) ⇒ .