

Your Guide to
*Senior Living
Tax Deductions*



STONE CREEK
of Copperfield

INDEPENDENT LIVING • ASSISTED LIVING • MEMORY CARE



Are Senior Living Expenses Tax Deductible?

It's a common question, one you may find yourself pondering more and more as you prepare yourself or a loved one for the move into a senior living community. You know the move will provide the care and peace of mind you're searching for. However, paying for long-term care can be expensive.

The good news: You may be able to deduct up to 100% of your senior living fees and other care services as medical costs. It all depends on the level of care and services needed. This guide will help you determine which questions to ask when planning your move into a senior living community.

DEDUCTION ONE: MEDICAL EXPENSES AND CARE

Though there isn't a specific Assisted Living tax deduction available, according to the IRS, you may be eligible to deduct medical expenses — such as caregiver expenses and medical equipment — that are more than 7.5% of your adjusted gross income (AGI).

Please note: Since circumstances vary from person to person, you should consult with a financial or tax advisor to see if these deductions are available.

FOR MORE INFORMATION:



Refer to IRS Publication 502 on IRS.gov by scanning this QR code or consult with a tax advisor.

DEDUCTION TWO: ACTIVITIES OF DAILY LIVING

Some senior living expenses may be 100% deductible as medical expenses if one fits the IRS' definition of chronically ill. Prior to moving into a community, an assessment of care needs and a care plan are provided. To qualify as chronically ill, you or your loved one must require assistance with a minimum of two activities of daily living. Those can include:

- Personal Hygiene
- Dressed and Undressed
- Toileting and Incontinence
- Transfers to and from bed/chair
- Eating

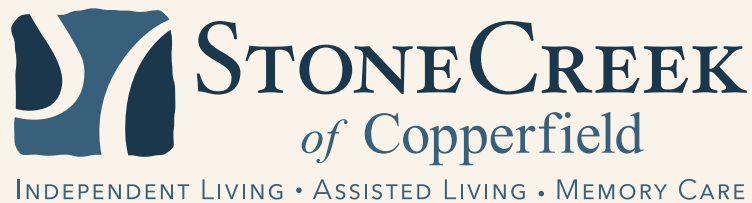
Cognitive impairment and Memory Care expenses can also be tax deductible.

DEDUCTION THREE: LOVED ONE AS A DEPENDENT

If your loved one qualifies as a dependent, you may be eligible to deduct medical expenses you pay on their behalf. Though the IRS has specific requirements for who is and isn't a dependent, your loved one must meet at least these three requirements:

- The resident must be a qualifying relative of the taxpayer.
- You must provide more than 50% of the resident's financial support.
- The resident meets U.S. residency requirements.

To determine further qualifications, please consult with a financial or tax advisor.



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As a trusted part of the senior living industry, we are happy to share our expertise and connect you with one of our local professional partnerships to help guide you and answer your questions. Please feel free to contact us and see how we can help.



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