

Tuition for School to Treat Learning Disabilities is a Deductible

Article Highlights:

- Tuition To Treat Learning Disabilities is Deductible
- Medical Deduction
- Special Teaching Techniques

IRS has privately ruled that for a child diagnosed with multiple learning disabilities, tuition paid to attend a school designed to assist students in overcoming their disabilities and developing appropriate social and educational skills was a deductible medical expense.

Treating a child's learning disabilities can place a heavy financial burden on parents. As the ruling illustrates, the tax law may help by allowing a deduction for the cost of educating such a child.

However, like other deductible medical expenses, this cost is deductible only to the extent that medical expenses for the year cumulatively exceed 10% (7.5% through 2016 if the taxpayer is age 65 or over) of the taxpayer's adjusted gross income.

Medical care includes the cost of attending a special school designed to compensate for or overcome a physical handicap, in order to qualify the individual for future normal education or for normal living. This includes a school for the teaching of Braille or lip reading. The principal reason for attending must be the special resources for alleviating the handicap. The cost of tuition for ordinary education that is incidental to the special services provided at the school, and the cost of meals and lodging supplied by the school also is included as a medical expense. The distinguishing characteristic of a special school is the substantive content of its curriculum, which may include some ordinary education, but only if the ordinary education is incidental to the school's primary purpose of enabling students to compensate for or overcome a handicap.

IRS ruled that where the school uses special teaching techniques to assist its students in overcoming their condition and that these techniques along with the care of other staff professionals are the principal reasons for the child's enrollment at the school then the school is a "special school". Thus the child's tuition at the school in those years he is diagnosed as having a medical condition that handicaps his ability to learn are deductible.

The Tax Court has also held and IRS has privately ruled that, where a school attended by a student with a medical problem doesn't qualify as a special school because the ordinary education isn't incidental to the special services provided, the costs of the special program or special treatment (but not the entire tuition) may still be a deductible medical expense.

If you have questions related to this or other medical deductions please give this office a call.