

## Learning Disorder Evaluations May Be Tax Deductible

It is hard for many families to afford the high cost of learning disability evaluations, which can range from \$3,400 to as much as \$5,000. Well, there is good news for those families. There has been an IRS ruling that says that these evaluations can be tax deductible as a medical expense. Disclaimer: Dr. Thomas is neither an attorney nor an accountant. This article is for families with children (or adults) that have learning disabilities. For more information, please check with an appropriate professional.

?Medical care? for the IRS includes expenses related to the diagnosis, cure, treatment, or prevention of disease 1. Under that definition, diagnostic tools like learning disability evaluations may be covered. The June 2005 Steve Leimberg Estate Planning Newsletter #836 advises that within the limits of the IRS Code Section 213, diagnostic expenses can qualify if the evaluation is to diagnose a medical condition. As many may know, learning disabilities are defined by the American Psychiatric Association's Diagnostic and Statistical Manual, Fifth Edition (DSM-V); therefore, these diagnoses are medical. To qualify for the deduction, a physician or other qualified professional (such as a neuropsychologist), is required to diagnose such a medical condition and recommend the appropriate treatment. After the diagnosis, the treatment provided for learning disabilities can also be covered as a deductible expense, in addition to related books and materials.

A learning disability means there is some learning function that is significantly below average compared to the general population. Usually, this means that reading speed is much slower than one would expect. Evaluations for learning disabilities involve assessing cognitive functioning and achievement abilities in order to determine if an area is significantly below average. These very low scores define the learning disability. For children, learning disabilities can slow down their progress at school if they're not treated promptly and effectively. A full evaluation, provided by a qualified individual, and subsequent treatment can effectively help the child in managing their learning disability.

Affordability is a relevant and important issue when dealing with the evaluation and treatment of a learning disability. With this tax ruling and interpretation, the necessary expense to properly deal with the disability can be less of a burden for the parents.

For more information regarding tax deductions for learning disability evaluations and treatment options, visit <http://www.leimbergservices.com>. The relevant citations for your accountant are noted below.

>1 IRC Sec. 213 ; IRC Sec 213 (d)(1)(A); Reg. Section 1.213-1(e)(1)(ii); Section 1.213-1(e)(1)(v)(a); Rev. Rul. 70-285, 1970-1 C.B. 52; Rev. Rul. 69-607, 1969-2 C.B. 40.

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