

# How To Deduct Pet-Related Expenses on Your Taxes

► Learn ways you might be able to claim certain pet-related expenses on your taxes.

Americans love their pets! More than 65 percent of Americans, an estimated 85 million households, own a pet. In 2019, more than \$75 million was spent in the United States on pet costs. Although many treat pets as members of the family, unfortunately having a pet doesn't carry the same tax advantages as a child or other dependent. Yet, there are a few ways that you might benefit from owning a pet. Review the following steps for 2021 pet-related tax deductions:

## Are you moving with a pet in tow?

If you moved in 2021, you may be able to claim some pet-related moving expenses such as boarding during the relocation. To qualify, the move must meet three Internal Revenue System (IRS) conditions:

- The move date must be related to the start of work.
- The new job location must be 50-plus miles from your previous job location.
- You must work 39-plus weeks at the new job location after the move date.

## Do you foster or volunteer with pets?

If volunteering with a pet-related nonprofit is your passion, your charity may pay off.

- Any expenses you incur while fostering a pet from a qualified nonprofit may be claimed as a charitable tax deduction. Qualified costs include any pet food or supplies not provided by the foster agency that you cover out of pocket.
- Animal shelter or animal rescue volunteers may deduct the gas cost or mileage incurred in service of the organization. Qualified costs might include travel to pick up a rescue animal or transport an animal for veterinary care. Your commute to or from a shelter would not be covered.

## Is your pet a registered service animal?

If your pet helps you in any medical capacity, is a service animal registered with the Americans with Disabilities Act



(ADA), or is an emotional support animal (ESA), you may claim deductions. Note that you will need a doctor's note or registration card as proof that your animal is indeed authorized in either capacity.

- ADA service animals qualify under the medical expense deduction. Yearly medical expenses must be greater than 7.5 percent of your adjusted gross income to meet the criteria for this deduction. If you qualify, your pet's expenses are tax deductible.
- If your ESA animal helps you in the treatment of a medically diagnosed mental or physical need, you may deduct the costs involved with taking care of the pet.

## Does your pet provide a service for your business?

Some people may be eligible to claim a business expense deduction. Pets that simply go to work with their owners do not qualify.

- If your pet is a key selling feature of your business, assists with clients, guards a facility, or performs, the pet's expenses, such as food and vet bills, might be deducted.
- To claim this deduction, you must keep receipts and track the number of hours your pet "works" at your business and any income your pet earns.

Although there are no direct tax credits or deductions for simply owning a pet, there are several tax benefits under which pet-related expenses can qualify. No two taxpayer situations are alike. And you want to ensure that you are fully compliant in case of an audit. Make sure you contact a financial planner or tax professional about your unique tax situation.

## References

- 2019–2020 National Pet Owners Survey conducted by the American Pet Products Association (APPA)
- <https://www.pawlicy.com/blog/tax-deductions-for-pet-owners/>



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