

Tax Tips for the Deaf

Updated for Tax Year: 2012

One in five Americans has a severe hearing loss, yet may not be aware of the special tax deductions and credits allowed by the Internal Revenue Service.

Knowing about these deductions and credits can help you know which receipts and paperwork to save so you can claim them on your taxes.

Medical deductions

If you itemize your deductions on your taxes and your medical expenses total more than 7.5 percent of your adjusted gross income, you might get a tax deduction. These expenses include mileage to and from doctor and diagnostic appointments, prescriptions, eyeglasses and insurance premiums. Deaf individuals and those with hearing loss have special expenses they can deduct to reach that 7.5 percent threshold.

Examples include:

- Hearing aid, batteries, maintenance and repairs
- Telephone equipment and repair costs including phones with special ringers, captioned phones and teleprinters
- Televisions and related accessories that amplify sound, provide closed captions and their repair costs
- Guide dog, including veterinary, grooming and food expenses
- Special education such as lip-reading instruction
- Wiring your home with special smoke detectors and burglar alarms

Disability-related work expenses

If you work, you can list the cost of things you buy to perform your job as business expenses included in your itemized deductions. These miscellaneous deductions must be work-related, which makes them different from medical expense deductions.

In addition to what you might pay for disability-related transportation costs, consider any special aids you need in order to work effectively, such as the following:

- Video conferencing equipment

- Computer and accessories
- Special telephones
- Video cameras
- Broadband Internet connection for video relay

Disability tax credit

If you are at least 65 years old, retired because of your disability and get taxable disability income, you may qualify for the Credit for the Elderly or Disabled. Even if you retired before age 65, you may be able to claim this credit if your hearing loss or deafness classifies as a total disability that bars you from gainful employment. You need a physician's statement on file that supports your qualification.

Earned income tax credit

You may also qualify for the earned income tax credit, or EITC, depending on how much you make. Social Security Disability Insurance payments, money you get from disability insurance, and military disability pensions do not count as income when determining your eligibility for EITC. You would need another source of earned income to qualify.

Your age and retirement status also affect what the IRS considers to be earned income. For example, when you reach your minimum retirement age, any disability retirement benefits you receive become a pension in the eyes of the IRS and therefore no longer count as earned income. When you qualify for EITC, you pay less tax — and might even get a refund check.

Many thanks to Turbo Tax for compiling this info at:

<https://turbotax.intuit.com/tax-tools/tax-tips/Tax-Deductions-and-Credits/Tax-Tips-for-the-Deaf/INF22297.html>