



CONGRESS CONSIDERS PET EXPENSES TAX DEDUCTION

The Issue.

Representative McCotter (R-11, MI) has introduced H.R. 3501 establishing the “Humanity and Pets Partnered Through the Years Act (HAPPY).” HAPPY would allow for individuals to enjoy tax deductions of up to \$3,500 for pet care expenses.

The Impact.

“HAPPY,” drafted in conjunction with data from the American Pet Products Association (APPA) National Pet Owners Survey, would amend the Internal Revenue Code by allowing an individual up to a \$3,500 yearly tax deduction for qualified pet care expenses.

“Qualified pet care expenses” is defined as “amounts paid in connection with providing care (including veterinary care) for a qualified pet other than any expense in connection with the acquisition of the qualified pet.”

H.R. 3501 further defines “qualified pet” as “a legally owned, domesticated, live animal.”

NOTE: Animals used for research or owned/utilized in conjunction with a trade or business do not qualify for such treatment under this Act. Nor do people who deducted, during the preceding 3 taxable years, expenses under IRS Sections 162 (ordinary and necessary expenses) and 213 (diagnostic and similar procedures, medical devices and other medical expenses not covered by insurance). It is not clear if expenses associated with maintenance of service animals would be deductible.

Recommended Action.

Providing pet owners the opportunity to deduct pet care expenses is an important step towards ensuring that pet owners provide adequate veterinary and other necessary pet care. It encourages responsible pet ownership and will hopefully reduce the abandonment of pets by people struggling as a result of the economic downturn.

Take time to review this legislation and let your representatives know that you appreciate their efforts to support responsible pet ownership and encourage them to consider [H.R. 3501](#) favorably. Proper usage of the tax code can encourage positive pet owner behavior and improve the health and well-being of companion animals.

Visit PIJAC's [Legislative Action Center](#) for information on how to contact your representative.

