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Fun Tax Facts – Pet Expenses

By: Xiaoyue Tan, MST Student

Cat Food Expense

In 1995 a scrap yard owner was allowed a business deduction for cat food purchased to attract wild cats to prevent snakes and rats from entering his scrap yard.¹ The court agreed that the cost of the cat food was a deductible business expense because the cat performed a task associated with the business. In contrast, one's household cat is not qualified because it unlikely performs any service in operating a business.

Animal Foster Expenses

New York Times bestselling author, Helen Brown, wrote a blog about a rescue cat named Bono. Over 22 million people read her blog. She published *Bono* and inspired millions of people.² People who foster and care for homeless animals for qualified charitable organizations can deduct out of pocket expenses. In *Van Dusen v. Commissioner*, foster-cat expenses qualified as unreimbursed expenditures incident to the rendition of services to a charitable organization. Van Dusen's services were directed by a charitable organization. She thus rendered services the organization when she cared for foster cats in her home.³ It is good news for animal foster parents that they can deduct some of costs during the taxable year. It is important though that

¹ *Samuel T. Seawright, et ux. v. Commissioner*, 117 TC 294 (2001).

² Helen Brown, *Bono: The Amazing Story of a Rescue Cat Who Inspired a Community*, May 29, 2018; available at <https://www.helenbrown.com.au/titles/bono-the-amazing-story-of-a-rescue-cat-who-inspired-a-community/>

³ *Van Dusen v. Commissioner.*, 136 T.C. 515 (2011).

for any donation of \$250 or more that the taxpayer have a contemporaneous written acknowledgement as required by IRC §170(f)(8).

Pet Moving Expenses

Most people may not know that the pet moving expenses are deductible under certain circumstances. Before 2018 and after 2025, employees and self-employed individuals can deduct the cost of transporting goods and personal effects from the old residence to the new residence if certain distance requirements are met.⁴ Household pets are treated the same as your other personal properties. If someone lost their job and relocate for a new job, the reasonable expenses of moving their pet are tax deductible.⁵ However, only members of the U.S. Armed Forces can deduct personal moving expenses from 2018 to 2025.

⁴ IRC Sec. 217(b).

⁵ Rev. Rul. 66-305.