**Abstract:** It’s not uncommon for adult children to help support their aging parents. Those in this position might qualify for an adult-dependent exemption on their 2017 tax returns. This article explores the basic qualifications and some important factors related to this tax break.

**When an elderly parent might qualify as your dependent**

It’s not uncommon for adult children to help support their aging parents. If you’re in this position, you might qualify for an adult-dependent exemption to deduct up to $4,050 for each person claimed on your 2017 return.

**Basic qualifications**

For you to qualify for the adult-dependent exemption, in most cases your parent must have less gross income for the tax year than the exemption amount. (Exceptions may apply if your parent is permanently and totally disabled.) Social Security is generally excluded, but payments from dividends, interest and retirement plans are included.

In addition, you must have contributed more than 50% of your parent’s financial support. If you shared caregiving duties with one or more siblings and your combined support exceeded 50%, the exemption can be claimed even though no one individually provided more than 50%. However, only one of you can claim the exemption in this situation.

**Important factors**

Although Social Security payments can usually be excluded from the adult dependent’s income, they can still affect your ability to qualify. Why? If your parent is using Social Security money to pay for medicine or other expenses, you may find that you aren’t meeting the 50% test.

Also, if your parent lives with you, the amount of support you claim under the 50% test can include the fair market rental value of part of your residence. If the parent lives elsewhere — in his or her own residence or in an assisted-living facility or nursing home — any amount of financial support you contribute to that housing expense counts toward the 50% test.

**Easing the burden**

An adult-dependent exemption is just one tax break that you may be able to employ on your 2017 tax return to ease the burden of caring for an elderly parent. Contact us for more information on qualifying for this break or others.

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