Fostering Horses In Need Has Tax Benefits

By Kate Kirsch, Eastern Region Director (2021)

Amigo, the rescue, "mentoring" Nickel City Renaissance as a foal.

When Amigo arrived, he had had a long journey from a very unhappy place and was just looking for a soft landing. We happened to have an empty stall after sending a horse out for training and needed a gentle gelding to help raise a foal that would be weaned. We came through as a foster home for Amigo when he most needed us and he more than delivered for us, taking exceptional care of, and protecting, our weanling until she left for training. Amigo quickly grew on us and we grew on him.

And while this was the perfect situation for both Amigo and our family, there was an extra benefit that we derived from accepting a foster horse from a 501(c) (3) rescue: Amigo's expenses were fully deductible on our tax return.

On June 2, 2011, when deciding the case of VanDusen v. Commissioner, the United States Tax Court tackled the issue of whether an individual fostering an animal through a recognized 501(c)(3) charity could deduct the expenses for caring for that animal. The court held that these expenses ARE deductible. In order to deduct expenses for a foster horse, your records would have to clearly delineate the cost of caring for that particular horse.

Deductible expenses can include bedding, hay, farrier, and vet bills related solely to the foster horse. You cannot deduct expenses related to your own horses or expenses that you would have incurred anyway, such as a mortgage or a membership to Costco. In addition, any individual expense over $250 must have, together with the receipt, a letter from the 501(c)(3) substantiating the expense.

Amigo is still with us and when we wean our most recent foal later this summer, he will again play a central role. In the meantime, we enjoy providing for a wonderful horse who has not only contributed immeasurable joy to our farm but also is the only horse who helps us at tax time.

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