



TAX DEDUCTIBILITY OF PSYCHOANALYSIS

Psychoanalysis may be a vital part of the psychoanalyst's ongoing professional skill maintenance, and therefore may be deductible as a professional expense. However, if the psychoanalysis is considered as having been "undertaken as a part of a program of study leading to qualification for a new trade or business or to meet the minimum requirements for qualification in an intended trade or business," the costs may not be deductible.

Your accountant or tax attorney might not be familiar with authorities regarding the deductibility of psychoanalysis as a professional expense. We provide a reference to two cases and a Treasury Department regulation.

Iglesias v. Commissioner, 76 T.C. 1060 (1981), acq., 1981-2 C.B. 1.

Voight v. Commissioner, 74 T.C. 82 (1980), nonacq., 1981-2 C.B. 3.

Treas. Reg. § 1.162-5(b)(3)(ii), Example (4).

Disclaimer: APsAA's Practice Toolbox should not be considered as legal or tax advice, just a lead on an approach that might save you money. Be sure to consult your legal or tax advisor.