

January 13, 2011

TO: All District and ESD Special Education Directors

RE: 2010 Tax Exemption for Parents of Children with Disabilities

The following information is a resource for you to assist parents in obtaining information concerning the Oregon tax exemption for parents of children with disabilities. This basic information will provide you and your staff an understanding of the exemption. Feel free to share this information as appropriate in your district.

The Oregon Tax Code provides an additional tax exemption for parents of children with disabilities in Oregon. The procedure for claiming an exemption for the 2010 tax year is explained in the Oregon Individual Income Tax Return and Instruction booklets.

### **Who qualifies for the exemption?**

A child qualifies if he or she meets all of the following criteria:

- Qualifies as your dependent for tax year 2010;
- Is eligible for early intervention services, or receives special education as defined by the State Board of Education of the state where the child attends school; and
- Is considered to have a disability as of December 31, 2010 under the federal Individuals with Disabilities Education Act (IDEA) and related Oregon laws.

As per Oregon Revised Statute (ORS) 316.099, children receiving special education services for communication disorders and learning disabilities do not qualify for this tax exemption.

Eligible disabilities include:

- Autism (82)
- Visual Impairment (40)
- Mental retardation (10)
- Serious emotional disturbance (60)
- Traumatic brain injury (74)
- Hearing Impairment (20)
- Orthopedic impairment (70)
- Other health impairment (80)
- Deafblind (43)
- Multiple disabilities (two or more otherwise qualifying disabilities)

### **What documentation must be submitted with your tax return to qualify for this exemption?**

The tax instruction booklet explains that your child must have an Individualized Education Program (IEP) or an Individualized Family Service Plan (IFSP) and an eligibility statement for one of the disabilities listed above. A copy of the IEP or IFSP coversheet and a copy of the student's eligibility statement may be obtained from the school district. The coversheet and copy of the eligibility statement should be kept with the child's permanent health and education records, as maintained by the family – they DO NOT need to be submitted with your tax return. Parents may wish to store an additional copy with their 2010 tax records.

To claim the exemption on your 2010 state taxes, write the child's name along with the names of all other dependents on the line titled "All dependents" (line 6c on Form 40). In addition, write the child's name on the line provided for "Disabled children only" (line 6d on Form 40).

**Oregon Department of Revenue Online Instructions and Forms**

For further information and assistance in completing your tax forms, consult a tax professional or contact the Oregon Department of Revenue at 1-800-356-4222. Instructions and forms for tax year 2010 are currently available online at [www.oregon.gov/DOR/forms.shtml](http://www.oregon.gov/DOR/forms.shtml).

If you have further questions, you may contact Robbi Perry, Information Specialist, Office of Student Learning and Partnerships, at the Department of Education at 503-947-5782 or [robbi.perry@state.or.us](mailto:robbi.perry@state.or.us).