

# Can Your Pet Save You on Your Taxes?

Hollywood Tough Guy Teams With Animal Rights Groups to Push for Tax Change

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Oct. 13, 2009—

Will Max be a tax break? Can Fido help with FICA?

A bill making the rounds on Capitol Hill marries two feel-good propositions -- tax cuts and pet ownership -- to generate a novel idea: A tax break of up to \$3,500 per person for [pet care expenses](#).

The measure is a legislative long shot. But it's been championed by a veteran Hollywood tough guy and by a conservative Michigan congressman, and has drawn the enthusiastic support of animal rights groups eager to promote pet ownership during economic down times.

"We think this is as much a health care bill as any," said Nancy Perry, vice president of government affairs at [the Humane Society](#). "It's a human health issue to ensure that pets are provided with better care because of the role they play in our families."

The measure even has a snappy acronym: the HAPPY Act, as in Humanity and Pets Partnered Through the Years.

"What a pro-active way to be able to help the economy and change the culture in this country around animals," [Robert Davi](#), a veteran actor ("The Goonies," "Die Hard," "License to Kill") who was a main force behind the bill's introduction, told ABCNews.com in a telephone interview.

"This money goes back into the economy, and it encourages people to understand the social responsibilities we have toward animals," Davi said.

Betsy Dribben, vice president of government relations for the [American Society for the Prevention of Cruelty to Animals](#), is realistic about the bill's prospects. Her group is supporting the bill but taking a wait-and-see attitude before pressing members of Congress.

But with more attention being paid to the fate of pets whose owners lose their homes, she said interest is growing on Capitol Hill and beyond about how the government can respond.

"There is a move afoot. There is a general acknowledgement that people really care about their pets," Dribben said. "Taking care of pets does cost money, and during the dramatic decline of people's income and the shaky economy, any possibility of assisting people in meeting those costs should be looked at."

## Tax Breaks for Pets?

[The Humane Society estimates](#) that 39 percent of U.S. households own at least one dog, while 38 percent own at least one cat. About 62 percent of American households own a pet.

The tax break would apply to more exotic pets as well, so long as they're being owned within the bounds of the law. Any "legally owned, domesticated, live animal" would qualify, under the terms of the bill.

According to the ASPCA, a cat costs about \$670 a year on average to take care of, while dogs are about \$200 a year more expensive. The tax break would be capped at \$3,500 per person, regardless of how many animals a taxpayer owned.

Davi, the owner of four dogs and a cat, said the concept of using the tax code to promote pet ownership occurred to him a few months ago, in thinking about the stimulus package passed by Democrats in Congress -- a package, he said, that he opposed.

Davi's cousin runs a prominent California animal rescue foundation, D.E.L.T.A. Rescue, and is always looking for ideas that would get more pets adopted, he said. Why not let people deduct expenses like pet food and veterinarian bills from their taxes, like child care expenses or mortgage interest can help reduce your tax burden?

So, Davi reached out to Rep. Thaddeus McCotter, R-Mich., whom Davi had befriended after watching his work against the stimulus package. McCotter was intrigued enough by the concept to craft it into [legislation he offered this summer](#).

The bill seems unlikely to advance very far. Both Republican and Democratic aides say it hasn't risen near the top of anyone's priority list, given the other huge challenges confronting lawmakers these days.

And reactions among conservatives are mixed at best.

Ed Morrissey, writing for [HotAir.com](#), pointed out that carving out new tax deductions works against efforts to simplify the tax code.

"I like both Davi and McCotter, but this seems rather misguided, especially for a conservative Republican like McCotter," Morrissey wrote. "Republicans have been demanding tax simplification, not further complication, for the last few years, and for good reasons. The problem with the current tax code is precisely that 'using the tax code to encourage positive behavior is common practice.' Congress and presidents routinely press for tax breaks for their ideas of social engineering, which is why we now spend hundreds of billions of dollars in tax compliance."

Proponents of the HAPPY Act say pets are worth it.

"Pets release stress, give comfort, partnership in these hard times -- that's invaluable. They help people stay active. They teach compassion. In an unpredictable world, pets are consistent. They're really a part of the fabric of life," said Dribben. "This legislation is helping people so that they can keep the pets that they love."

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