



Judith Long claimed \$35,355 in itemized deductions consisting of: (1) \$27,776 in medical expenses, (2) \$339 in State and local taxes, (3) \$6,840 in real estate tax, and (4) \$400 in gifts to charity. Judith's mother, Frances Field (Mrs. Field), paid \$24,559 directly to medical providers on account of Judith's medical expenses and paid \$5,508 directly to the city government on account of Judith's real estate tax. Judith was not a minor, and Mrs. Field was not legally obligated to pay Judith's expenses. Mrs. Field made the medical expense payments for her daughter with donative intent. Applying substance over form, the court treated Judith as having received from her mother a gift of \$24,559 with which Judith paid her own medical expenses. Judith was credited with having made the payments for purposes of the income tax deduction in question. Mrs. Field paid \$5,508 directly to the city government in discharge of Judith's obligation for real estate tax. Again applying substance over form, the court treated Judith as having received from her mother a gift of the \$5,508 with which Judith paid the city in satisfaction of her own real estate tax. Thus Judith was entitled to a deduction under section 164 for that amount. Because the real estate tax was imposed upon Judith, she is the only taxpayer who may deduct it; Mrs. Field may not. See Reg. 1.164-1(a).