

Medical Expenses

The following is a list of common medical expenses, which may or may not be deductible, depending upon your circumstance(s). This list is a general guideline and may not be all inclusive. Please consult with your tax advisor to determine the deductibility of each expense as it relates to your situation.

- **Abortion**, legal abortion.
- **Acupuncture**.
- **Air conditioner** necessary for relief from allergies or other respiratory ailments.
- **Alcoholism**. Treatment, meals and lodging at therapeutic center for alcohol addiction. Transportation to Alcoholics Anonymous meetings.
- **Ambulance** service.
- **Artificial limbs and artificial teeth**.
- **Attendant** for blind or deaf student.
- **Birth control** pills and other contraceptives prescribed by a doctor.
- **Braille books/magazines** for use by a visually impaired person. Deduct the cost that is more than the regular printed editions.
- **Breast reconstruction** after a mastectomy to treat cancer. (Rev. Rul. 2003-57)
- **Camp**. Tuition for YMCA day camp program designed for children with disabilities. (*Emanuel*, TC Summary Opinion 2002-127)
- **Cars**. Cost of hand controls or the extra cost of a car or van specially designed to hold a wheelchair.
- **Capital expenses**. Special equipment installed in the home, or improvements that provide a medical benefit. See *Home Improvements* on Page 5-3.
- **Childbirth preparation classes**.
- **Chiropractor**.
- **Clarinet and lessons** to treat an improper meeting of a child's upper and lower teeth. (Rev. Rul. 62-210)
- **Contact lenses**, including equipment and materials for using contacts, such as saline solution and enzyme cleaner.
- **Cosmetic surgery** if necessary to improve a deformity related to a congenital abnormality, accident or disease, including obesity (Letter Rul. 200344010). *Nondeductible*: Face lifts, hair transplants and hair removal generally are not deductible.
- **Crutches**.
- **Dancing lessons**. *Nondeductible*, even if recommended by a doctor.
- **Dentures**.
- **Detachable home installations** such as air conditioners, heaters, humidifiers and air cleaners used for the benefit of a sick person.
- **Diagnostic fees**.
- **Diaper service**. *Nondeductible*, unless needed to relieve the effects of a particular disease.
- **Diet, special**. Tax Court has allowed the extra cost of special food over the cost of a normal diet when prescribed by a doctor to alleviate a specific medical condition. *Nondeductible*. Special food that merely replaces food normally consumed.
- **Doctor or physician**. Legal medical services provided by medical doctors, surgeons, osteopathic doctors, dentists, eye doctors, chiropractors, podiatrists, psychiatrists, psychologists, physical therapists, acupuncturists, psychoanalysts (medical care only) and authorized Christian Science practitioners.
- **Drug addiction**. Treatment, meals and lodging at therapeutic center for drug addiction.
- **Dyslexia language training**.
- **Exercise program** if doctor recommended a for a specific condition. *Nondeductible*: Program to improve general health, even if doctor recommended.
- **Eyeglasses**. If needed for medical reasons. Also includes eye exam fees.
- **Eye surgery** for nearsightedness (LASIK and radial keratotomy). Benefit of improving appearance without eyeglasses does not result in nondeductibility associated with cosmetic surgery. (Rev. Rul. 2003-57)
- **Fertility enhancement**. In vitro fertilization or surgery, including surgery that reverses prior surgery. Expenses to obtain an egg donor including agency fees, donor fees, the donor's medical and psychological testing fees,

insurance paid for post-procedure donor assistance and the legal fees for preparation of the contract with the donor.

- **Funeral expenses.** *Nondeductible.* Deductible on decedent's federal estate tax return (Form 706).
- **Guide dog** or other animal to be used by visually impaired, hearing-impaired or other physically disabled persons.
- **Health club dues.** *Nondeductible,* unless related to a specific medical condition.
- **Hearing aids** and batteries.
- **Hospital care.** Inpatient care, including meals and lodging, if the main reason for being there is to receive medical care.
- **Household help** for nursing care or qualified long-term care services only. *Nondeductible.* Personal and household services.
- **Humidifier** to help patient with severe allergies.
- **Insurance premiums** for medical care coverage, including Medicare insurance (Parts B and D) or Medicare (Part A) if voluntarily enrolled and not covered under Social Security. Also see *Qualified long-term care insurance premiums* on Page 5-4. *Nondeductible:* Medical portion of auto insurance, insurance premiums for life insurance, loss of earnings, loss of life, limb or sight or guaranteed payments for days in the hospital.
- **Laboratory fees.**
- **Laetrile anti-cancer treatment** (legal).
- **Laser eye surgery.**
- **Lead paint removal** if done for a child who has, or has had, lead poisoning from eating the paint.
- **Legal fees** paid to authorize treatment for mental illness. *Nondeductible:* Legal fees for guardianship estate management.
- **Lifetime care advance payments.** If part of the advance fee is allocated to medical care, the percentage must be specified by the retirement home in the agreement.
- **Lodging expenses** not provided in a hospital or similar institution while away from home to receive medical care in a hospital or medical facility related to a hospital. Not to exceed \$50 per night for each person. If a person is unable to travel alone, lodging of a person to accompany the ill

person is also deductible. *Nondeductible:* Meals.

- **Long-term care insurance/expenses.** See *Long-Term Care Insurance and Expenses* on Page 5-4 for limitations and details.
- **Marijuana** is not deductible even if legal under state law when prescribed by a physician in the state where the taxpayer lives. Possession of marijuana is a violation of the federal Controlled Substances Act and is not considered legally procured under Regulation Section 1.213-1(e)(2).
- **Maternity clothes.** *Nondeductible.*
- **Mattresses and boards** bought specifically to alleviate an arthritic condition. (Rev. Rul. 55-261)
- **Medical aids.** Wheelchairs, hearing aids and batteries, eyeglasses, contact lenses, crutches, braces, diagnostic devices and guide dogs (including costs paid for their care).
- **Medical conferences.** Related to the chronic illness of a taxpayer, spouse or dependent. Meals and lodging while attending the conference are *nondeductible.* (Rev. Rul. 2000-24)
- **Medicine and drugs,** including insulin, when prescribed by a doctor. *Nondeductible:* Over-the-counter medicine (other than insulin) and prescribed drugs brought in (or ordered and shipped) from another country, including Canada.
- **Medical equipment and supplies** sold "over the counter" (without a prescription). This includes needles, crutches, bandages or diagnostic devices such as blood sugar kits.
- **Nursing care.** Wages, employment taxes and other amounts (such as attendants' meals) paid for nursing services connected with caring for a patient's condition including extra rent or utilities for a larger apartment required to provide space for nurse/attendant. *Nondeductible:* Personal and household services provided by attendant, or nursing services for a normal, healthy baby.
- **Nursing home.** Entire costs for medical care, including meals and lodging, if the main reason for being in the home is to obtain medical care. If not entering the home primarily to obtain medical care, only the portion of the fee actually spent on medical treatment is deductible. If the care is qualified long-term care, 100% is deductible.
- **Orthopedic shoes** (excess cost).
- **Oxygen/oxygen equipment** to relieve medical breathing problems.
- **Prosthetic limbs.**
- **Reclining chair** bought on a doctor's advice by a person with a cardiac condition, and not generally used as furniture. (Rev. Rul. 58-155)
- **Remedial reading.**
- **Sex therapy** at a hospital upon doctor's advice.
- **Smoking cessation programs** and prescribed drugs to alleviate nicotine withdrawal are deductible. Program does not need to be recommended by a physician or for a specific condition. *Nondeductible:* Nonprescription nicotine patches and

gum.

- **Special education.** Tuition for sending a mentally impaired or physically disabled person to a special school that has resources to relieve the disability. Meals, lodging and transportation to and from the school are also deductible. A school need not be a "special school" for tuition to be deductible; instead, tuition is a deductible medical expense if the principal reason for the child attending the school is to receive medical care in the form of special education for a diagnosed medical condition that handicaps the child's ability to learn (Ltr. Rul. 200521003). Also, tuition to a special school or tutoring fees by a specially trained teacher for a child with severe learning disabilities. Doctor's recommendation was not necessary in *Lawrence F. Fay*, 76 TC 408 (1981).

- **Sterilization**, legal.

- **Swimming.** Prescribed therapeutic swimming costs including cost of maintaining a swimming pool at taxpayer's residence. (*Nondeductible*: Swimming lessons, even if recommended by a doctor.

- **Teeth whitening.** *Nondeductible*, even when performed by a dentist.

- **Telephone.** Cost/repair of special telephone equipment for hearing-impaired person.

- **Television.** Cost of equipment to display the audio part of a television program for hearing-impaired persons, or cost of specially equipped television that exceeds the cost of the same model regular television.

- **Transplants.** Surgical, hospital, laboratory and transportation expenses for a transplant donor or possible donor (even if found to be unacceptable).

- **Transportation costs to obtain medical care** such as ambulance service, bus, taxi, train, plane fares, parking fees, tolls and use of personal vehicle at 19¢ per mile from 1/1/08 to 6/30/08 and 27¢ per mile from 7/1/08 to 12/31/08 or actual cost of gas and oil. *Nondeductible*: Extra commuting expenses to take a disabled person to work who cannot drive himself. The transportation was not for the treatment of a medical condition. (*Alderman*, TC Summary Opinion 2004-74)

- **Travel by parents to visit their child** in a special school for children with drug problems. Parents required to participate in family therapy sessions. *Nondeductible*: Meals and lodging. (*Urbauer*, TC Memo 1992-170)

- **Vasectomy** (legal) and reversal.

- **Visual alert system** for hearing impaired.

- (but not food) as treatment for a specific disease, including health club costs if necessary to fulfil the individual's exercise needs (INFO 2002-0077). Obesity is a disease as long as a physician has made a diagnosis of obesity. (Rev. Rul. 2002-19)

- Wheelchairs and motorized scooters for permanent or temporary disability.

- Wig for the mental health of a patient with hair loss caused by disease.

- X-ray services.

Excludable From Income

Over-the-counter drugs purchased without a prescription are not deductible as medical expenses. However, reimbursements for over-the-counter drugs through an employer health flexible-spending arrangement or other employer health plan are not taxable to the employee. *Exception*: The costs of dietary supplements that are merely beneficial to the employee's health are not excludable from income if reimbursed under an employer health plan. (Rev. Rul. 2003-102)

Home Improvements

Capital expenditures, such as home improvements, are generally not deductible. However, a capital expenditure may qualify as a deductible medical expense if the main purpose of the expense is to provide medical benefits. The deduction is limited to the excess of the actual cost of the improvements over the increase in the fair market value (FMV) of the home. Improvements made by renters are fully deductible, since they do not own the property. For newly constructed homes, qualifying medical expenses are deducted in the year the home becomes habitable, even if part of the cost was paid in prior years.

Over-the-Counter Drug Reimbursements