



It's possible (but not easy) to claim a medical expense tax deduction

One of your New Year's resolutions may be to pay more attention to your health. Of course, that may cost you. Can you deduct your out-of-pocket medical costs on your tax return? It depends. Many expenses are tax deductible, but there are several requirements and limitations that make it difficult for many taxpayers to actually claim a deduction.

The rules

Medical expenses can be claimed as a deduction only to the extent your unreimbursed costs exceed 7.5% of your adjusted gross income. Plus, medical expenses are deductible only if you itemize, which means that your itemized deductions must exceed your standard deduction. Due to changes in the Tax Cuts and Jobs Act, which generally went into effect in 2018, many taxpayers no longer itemize.

Eligible medical costs include many expenses other than hospital and doctor bills. Here are some items to take into account when determining a possible deduction:

Transportation. The cost of getting to and from medical treatment is an eligible expense. This includes taxi fares, public transportation or using your own vehicle. Car costs can be calculated at 21 cents per mile for miles driven in 2024 (down from 22 cents in 2023), plus tolls and parking. Alternatively, you can deduct your actual costs, including gas and oil, but not general costs such as insurance, depreciation or maintenance.

Insurance premiums. The cost of health insurance is a medical expense that can total thousands of dollars a year. Even if your employer provides you with coverage, you can deduct the portion of the premiums you pay. Long-term care insurance premiums also qualify, subject to dollar limits based on age.

Therapists and nurses. Services provided by individuals other than physicians can qualify if they relate to a medical condition and aren't for general health. For example, the cost of physical therapy after knee surgery does qualify, but the cost of a personal trainer to help you get in shape doesn't. Also qualifying are amounts paid for acupuncture and those paid to a psychologist for medical care. In addition, certain long-term care services required by chronically ill individuals are eligible.

Eyeglasses, hearing aids, dental work and prescriptions. Deductible expenses include the cost of glasses, contacts, hearing aids, dentures and most dental work. Purely cosmetic expenses (such as teeth whitening) don't qualify, but certain medically necessary cosmetic surgery is deductible. Prescription drugs qualify, but nonprescription drugs such as aspirin don't, even if a physician recommends them. Neither do amounts paid for treatments that are illegal under federal law (such as marijuana), even if permitted under state law.

Smoking-cessation programs. Amounts paid to participate in a smoking-cessation program and for prescribed drugs designed to alleviate nicotine withdrawal are deductible expenses. However, nonprescription gum and certain nicotine patches aren't.

Weight-loss programs. A weight-loss program is a deductible expense if undertaken as treatment for a disease diagnosed by a physician. This could be obesity or another disease, such as hypertension, for which a doctor directs you to lose weight. It's a good idea to get a written diagnosis. In these cases, deductible expenses include fees paid to join a weight-loss program and attend meetings. However, the cost of low-calorie food that you eat in place of a regular diet isn't deductible.

Dependents and others. You can deduct the medical expenses you pay for dependents, such as your children. Additionally, you may be able to deduct medical costs you pay for an individual, such as a parent or grandparent, who would qualify as your dependent except that he or she has too much gross income or files jointly. In most cases, the medical costs of a child of divorced parents can be claimed by the parent who pays them.

Track eligible costs

As you can see, for deduction purposes, many expenses are eligible. Keep track of your outlays and we'll determine if you qualify for a deduction when we prepare your tax return.

© 2024