

Medical and Dental Expenses

You'll usually claim this deduction if you had large, unreimbursed medical expenses. To deduct medical and dental expenses on your return, both of these must apply:

- You itemize deductions on Schedule A.
- Your expenses are more than 10% of your adjusted gross income (AGI) -- or 7.5% of AGI for taxpayers 65 years or older.

Starting with tax year 2017, the 10% will apply to all taxpayers.

What can I deduct?

For any medical condition, it includes the cost of:

- Diagnosis
- Cure
- Mitigation
- Treatment
- Prevention
- Items needed for the above purposes, including:
 - Equipment
 - Supplies
 - Diagnostic devices

If you want to deduct medical expenses, they must alleviate or prevent a physical or mental defect or illness. You can't deduct expenses that simply benefit general health, like vitamins or a vacation.

You can deduct these medical expenses:

- Cost of medical care from any of these types of practitioners:
 - Acupuncturists
 - Chiropractors
 - Dentists
 - Eye doctors
 - Medical doctors
 - Occupational therapists
 - Osteopathic doctors
 - Physical therapists
 - Podiatrists
 - Psychiatrists
 - Psychoanalysts giving medical care
 - Psychologists
 - Other qualified medical practitioners
- Transportation costs to and from medical care. If you drive your own car, the deduction is 23 cents per mile in 2016.
- Prescription medicines
- Amounts you paid for qualified long-term care services
- Limited amounts you paid for any qualified long-term care insurance contracts
- Medical insurance premium -- You can't deduct pre-tax salary contributions you make to an employer-sponsored health insurance plan.
- Amounts you pay if not covered by Social Security for:
 - Medicare B supplemental insurance
 - Medicare D insurance
 - Medicare A premiums

You usually can't deduct premiums you pay for certain types of policies. This is true of policies with benefits that aren't tied to the actual cost of the medical care you received. These policies:

- Pay you a certain amount (Ex: policy that pays you \$200 a day while hospitalized)
- Pay you for lost earnings
- Pay a flat amount for the loss of a limb or eyesight

Contributions you make to a health savings account (HSA) aren't medical expenses. They're an adjustment to income. So, you can deduct all of your qualifying HSA contributions, even if you don't itemize deductions.

If you'd like to learn more about HSAs, see Form 8889 instructions at www.irs.gov.

The required contributions you make to state disability-benefit funds might not be medical expenses limited by the 10% rule -- 7.5% if 65 or older. This is true if you contribute to:

- Alaska Unemployment Compensation Fund
- California Paid Family Leave Program
- California Nonoccupational Disability Benefit Fund
- New Jersey Nonoccupational Disability Benefit Fund
- New Jersey Unemployment Compensation Fund
- New York Nonoccupational Disability Benefit Fund
- Pennsylvania Unemployment Compensation Fund
- Rhode Island Temporary Disability Benefit Fund
- Washington State Supplemental Workmen's Compensation Fund

Instead, include these payments as part of your state tax deduction on Schedule A.

Whose medical expenses can you include on your return?

You can deduct medical expenses for anyone who qualifies as your spouse or dependent when either:

- The service was provided
- The bill was paid

If you're divorced, you can deduct any qualifying bills you pay for your children as a medical expense. This applies even if your former spouse claims your children as dependents.

You can also deduct medical expenses you pay for any other person who:

- Qualifies as your dependent
- Would qualify as your dependent except that person:
 - Files a joint return
 - Has a gross income that's more than \$4,050

When do payments have to be made to be deductible?

You can include only the medical and dental expenses you paid in the current tax year. It doesn't matter when you received the services.

The payment dates for expenses include:

- Check -- day you mail or deliver the check
- Online or phone -- date reported on the statement showing when you made the payment
- Credit card -- date the charge is made, not the date you pay the credit card bill

What are some expenses not considered deductible medical expenses?

Nondeductible expenses include:

- Cosmetic surgery not related to any of these:
 - Congenital abnormality
 - Accident

- Disease
- Medicare tax on wages and tips paid as part of the self-employment tax or household employment taxes
- Nursing care for a healthy baby
- Usually, drugs not approved by the FDA
- Funeral, burial, or cremation costs

To learn more, see Publication 502: Medical and Dental Expenses at www.irs.gov.