

Tax Deductible Medical Expenses Checklist

Note: while only the excess of 7.5% of your federal adjusted gross income (AGI) is deductible, the New Jersey return allows for the excess of 2% of the New Jersey adjusted gross income (AGI). See bottom of last page for Revenue Rulings 2003-57 & 2003-58 regarding medical deductions.

- Prescription medications
- Health insurance premiums:
- Insurance premiums for medical care, other than self-employees health insurance
- Qualified long-term care premiums
- Self-employed health insurance not deducted as an adjustment to income
- Fees for doctors, dentists, etc.
- Fees for hospitals, clinics, etc.
- Lab and x-ray fees
- Expenses for qualified long-term care
- Eyeglasses not contact lenses
- Medical equipment and supplies
- Medical transportation expenses
- Lodging for medical purposes
- Legal abortions
- Accident and health insurance
- Acupuncture
- Adoption
- Air condition for allergy relief
- Treatment for alcoholism
- Hiring of an ambulance
- Attendant to accompany a blind or deaf student
- Braille books and magazines
- Seeing-eye dog
- Special educational aids
- Hearing aids for the deaf.
- Hearing-aid animal
- Lip reading expenses
- Note taker for a deaf student
- Specially equipped phone and TV
- Visual alert system
- Birth control pills
- Home modification for the handicapped
- Car modifications for the handicapped
- Childbirth preparation classes for the mother
- Chiropractors
- Clarinet and lessons for alleviation of severe teeth malocclusion
- Computer data bank, storage, and retrieval of medical records
- Contact lenses
- Prescriptions for contraceptives
- Cosmetic surgery for deformity, personal injury, or disfiguring disease.
- Crutches
- Diapers used for a severe neurological disease
- Doctors' fees
- Rehabilitation from drug addiction
- Prescription for drugs
- Language training for the Dyslexic
- Elevators for the alleviation of a cardiac condition
- Eye examination and glasses
- Halfway house, adjustment to a mental hospital
- The following is a checklist of deductible medical expenses
- Health club dues if prescribed by a physician for a medical condition
- HMO
- Indian medicine man
- Insulin
- Insurance
- Long term care insurance (within limits) - See Below
- medical savings account
- Medicare "A" coverage
- Premiums for medical care
- Self-employed
- Iron lung
- Laboratory fees
- Lead paint removal
- Legal expenses
- Authorization or treatment for mental illness
- Lifetime medical care, prepaid; retirement home
- Artificial limbs
- Bedding prescribed for the alleviation of arthritis
- Home nursing
- Obstetrical expenses
- Legal operations
- Optometrists
- Orthodontia

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Tax Deductible Medical Expenses Checklist (cont'd)

- Orthopedic shoes
- Oxygen equipment for a breathing disability
- Patterning exercise for a handicapped child
- Special plumbing for the handicapped
- Prosthesis
- Psychiatric care
- Psychologists
- Psychotherapists
- The following is a checklist of deductible medical expenses
- Reclining chair for a cardiac patient
- Sanitarium rest homes, cost of , medical, educational, or rehabilitative reasons
- Treatment for sexual dysfunction
- Legal sterilization operation
- Swimming pool for the treatment of Polio or Arthritis
- Taxicab to the doctor's office
- Artificial teeth
- Donor's cost of transplant
- Legal vasectomy
- Wheel chair
- Wig for the alleviation of mental discomfort resulting from a disease
- X-rays
- Costs of programs to stop smoking
- Weight Loss Programs for Obesity

Note: Revenue Ruling 2003-57: The law does not allow a deduction for cosmetic surgery or similar procedures, unless needed to correct a deformity related to an injury, disease, or congenital abnormality, to meaningfully promote the proper function of the body, or to prevent or treat illness or disease. Thus, breast reconstruction after a mastectomy or vision correction by laser surgery would be deductible expenses. However, merely improving appearance is not enough for a procedure to qualify as deductible. Hence, treatment of tooth discoloration, which doesn't promote the proper function of the body and doesn't correct a deformity, is not a deductible medical expense.

Revenue Ruling 2003-58: The law limits the deduction for medicine or drugs to insulin and those drugs that require a prescription. Even when recommended by a doctor, medicines available over-the-counter are not deductible. However, this limitation does not apply to other non- prescription items, such as bandages, crutches, thermometers, or blood sugar test kits. If otherwise qualifying as related to medical care, such items are deductible.

- Long-Term Care Insurance

Code Sect. 213(d) (10); Rev. Proc. 2003-85: Premiums paid for a qualified long-term care insurance contract are a medical expense, but for the deductible amount of the premium is limited by the age of the individual at the close of the tax year. The inflation-adjusted maximum deductible amount for 2005 is:

- age 40 or less, \$270;
- age 41 through 50, \$510;
- age 51 through 60, \$1020;
- age 61 through 70, \$2,720; and
- age 71 or older, \$3,400.

The 2006 inflation-adjusted maximum deductible amount are:

- age 40 or less, \$280;
- age 41 through 50, \$530;
- age 51 through 60, \$1,060;
- age 61 through 70, \$2,830; and
- age 71 or older, \$3,530.