



Tax Tips You Can Use Oct 2006
Medical Expense Deductions - Part II
By Kathleen Crawford, EA

This article is about medical expense deductions and is intended to be a practical guide. As I mentioned last month, bills paid by insurance reimbursement or Health Savings Account funds are not deductible. Only money paid by the taxpayer and not reimbursed can be deducted as part of itemized deductions. I fell at home on an icy step and broke my right leg in February. One would not think of a broken leg as a catastrophic medical situation, however my situation touched many categories of medical expenses, some deductible and others not deductible.

Most medical expenses associated with doctors and hospitals are deductible. The ambulance ride to the hospital is deductible. The entire hospital bill including food, drugs, nursing care, lab work, and even those expensive boxes of tissues is deductible. The emergency room fees, the ER doctor fees, the anesthesiologist fees and surgeon fees are deductible. Physical therapy and chiropractic fees are deductible. The cost of a nurse coming to your home to change bandages is deductible. However, the costs of house keeping and cooking because you are bedridden are not deductible.

Purchase of crutches is deductible as is walker rental or purchase. Wheel chair purchase or rental is tricky. It is deductible if it is “for relief of disability”, like my broken leg, but not if it is only to get to and from work. Ice packs and heating pads are not deductible, but bandages and band-aids to cover torn skin are deductible. The cost of a special medical bed or chair is partially deductible. A taxpayer can deduct the amount that exceeds the price of a normal bed or chair.

Medicines that require a doctor’s prescription are deductible. Note that in most cases drugs from Canada are NOT deductible. Most over-the-counter drugs are not deductible. Even though my doctor told me to take aspirin every day in addition to my other medication, those are not deductible. Nutritional Supplements are an exception. They are not deductible if purchased for general health, but if they are purchased and used as treatment for a specific diagnosed medical condition then they are deductible. An example of a deductible supplement is the Arnica my doctor said would help with bleeding and bruising. Generally, over-the-counter diagnostic equipment, for example a blood pressure monitor or blood sugar tester, is deductible.

Some transportation costs are deductible. Generally, the costs to get to and from the hospital or the doctor or the pharmacy are deductible. Mileage is not allowed for my neighbors who followed the ambulance to the hospital because I am not their dependent. Mileage is also not allowed for the family visits to the hospital because the transportation does not involve the patient.

I am happy to report that I am walking without a cane and will be dancing soon.

The fine print is that this article is for information only. Please call Kathy or a tax professional for questions about your individual tax situation. The Jacksonville Tax Lady can be reached at 541-899-7926 or at 610 North Fifth Street.

