

## **Subject 401**

### **Medical and Dental Expenses**

Medical and dental expenses are payments you made for the diagnosis, cure, relief, treatment, or prevention of disease. They also include payments for treatments affecting any part or function of the body.

Medical expenses include fees paid to doctors, dentists, surgeons, chiropractors, psychiatrists, psychologists, and Christian Science practitioners. Included are payments for hospital services, medical and hospital insurance premiums, nursing services, therapy treatments, laboratory fees, prescription drugs and insulin. Payments for such things as acupuncture treatments, face-lifts, and other cosmetic surgery can be deducted if a valid medical condition existed and made the procedure necessary. Costs related to treatment centers for drug addicts and alcoholics are also deductible medical expenses.

Medical expenses include the cost of certain items and equipment such as false teeth, eyeglasses, contact lenses, hearing aids, crutches, wheelchairs, and guide dogs for the blind or deaf. Weight loss programs may be deductible if they were followed for the relief of diseases such as obesity and hypertension. Prescription drugs and programs to help you quit smoking may be taken as medical expenses, but over-the-counter gums and patches cannot.

Nursing home expenses are allowable as medical expenses in certain instances. If you, your spouse, or your dependent was in a nursing home or home for the aged, and the primary reason for being there was for medical care, the entire cost of the home, including meals and lodging, is a medical expense. If the individual was in the home mainly for personal or family reasons, then only the cost of the actual medical care is a medical expense, and the cost of meals and lodging is not deductible.

Transportation costs necessary for medical care qualify as medical expenses. The actual fare for a taxi, bus, train, or ambulance can be deducted. If you used your car for medical transportation, you can deduct actual out-of-pocket expenses such as gas and oil, or you can deduct the current standard mileage rate. With either method you use, you may add tolls and parking fees.

You may include in medical expenses the cost of lodging while away from home if the lodging was primarily for, and essential to, medical care provided by a physician in a licensed hospital or similar medical facility. The amount you may deduct is limited to \$50 for each night for each person. The lodging deduction may be claimed by a person who accompanied the person seeking medical care. The deduction does not include expenses for food – only the cost of lodging.

You may deduct qualified medical expenses you paid for yourself, your spouse, and your dependents. If either parent claimed a child as a dependent under the rules for divorced

or separated parents, each parent may deduct the medical expenses he or she actually paid for the child.

Insurance premiums you paid to cover the cost of medical treatment qualify as medical expenses. You may not deduct insurance premiums for life insurance or for policies that provided for the loss of wages because of illness or injury.

If you are self-employed, you may be able to deduct as an adjustment to income on your **AR1000F** or **AR1000NR** amounts you paid for health insurance premiums for yourself and your family, subject to certain limitations. See Form **AR1000ADJ** for more information.

The medical expenses you list as itemized deductions on Form **AR3** must have been paid during the tax year. Your total medical expenses for the year must be reduced by any insurance reimbursement.

Medical expenses are subject to a limitation of 7.5% of Adjusted Gross Income if you or your spouse were 65 or over at the end of 2016, or 10% of Adjusted Gross Income if you and your spouse were under 65 at the end of 2016.

For information on contributions to Archer Medical Savings Account and Health Savings Accounts, see **Subject 304**.