



Publication 502

Medical and Dental Expenses

Catalog Number 15002Q

For use in preparing **1995 Returns**

Important Change for 1995

Self-employed health insurance. The special rule that allowed self-employed individuals to deduct 25% of health insurance premiums from gross income expired December 31, 1993. It was reinstated for all tax years beginning after 1993.

If you were entitled to claim this deduction in 1994, but did not do so, file Form 1040X, *Amended U.S. Individual Income Tax Return*, to amend your 1994 return.

Beginning in 1995, the deduction was increased from 25% to 30%. For more information, see *Health insurance costs for self-employed persons*.

Important Reminder

Social security taxes for household employees. If you paid a domestic employee, such as a nurse, \$1,000 or more to work in your home during 1995, you generally will have to pay social security and Medicare taxes. For more information, see Publication 926, *Household Employer's Tax Guide*.

Introduction

This publication explains how to claim a deduction for your medical and dental expenses. It contains an alphabetical list of items that you can or cannot include in figuring your deduction. It also explains how to treat insurance reimbursements and other reimbursements you may receive for medical care.

Ordering publications and forms

To order free publications and forms, call 1-800-TAX-FORM (1-800-829-3676). If you have access to TDD equipment, you can call 1-800-829-4059. See your tax package for the hours of operation. You can also write to the IRS Forms Distribution Center nearest you. Check your income tax package for the address.

If you have access to a personal computer and a modem, you can also get many forms and publications electronically. See *How To Get Forms and Publications* in your income tax package for details.

Asking tax questions. You can call the IRS with your tax question Monday through Friday during regular business hours. Check your telephone book or your tax package for the local number or you can call 1-800-829-1040 (1-800-829-4059 for TDD users).

What form is used?

You figure your medical expense deduction on **Schedule A**, Form 1040. You cannot claim medical expenses on Form 1040A or Form 1040EZ. An example of a filled-in medical and dental expense part of Schedule A is shown at the end of this publication.

How much can you deduct?

You can deduct only the amount of your medical and dental expenses that is **more than 7.5%** of your adjusted gross income shown on line 32, Form 1040.

In this publication, the term "7.5% limit" is used to refer to 7.5% of your adjusted gross income. The phrase "subject to the 7.5% limit" is also used. This phrase means that you must subtract 7.5% (.075) of your adjusted gross income from your medical expenses to figure your medical expense deduction.

Example. Your adjusted gross income on line 32, Form 1040, is \$20,000; 7.5% of which is \$1,500. You paid medical expenses of \$800 in 1995. You cannot deduct any of your medical expenses because they are not more than 7.5% of your adjusted gross income.

Separate returns. If you and your spouse live in a noncommunity property state and file separate returns, each of you can include only the medical expenses each actually paid. Any medical expenses paid out of a joint checking account in which you and your spouse have the same interest are considered to have been paid equally by each of you, unless you can show otherwise.

Community property states. If you and your spouse live in a community property state and file separate returns, any medical expenses paid out of community funds are divided equally. Each of you should include half the expenses. If medical expenses are paid out of the separate funds of one spouse, only the spouse who paid the medical expenses can include them. If you live in a community property state, are married, and file a separate return, see Publication 555, *Federal Tax Information on Community Property*.

What expenses can you include for 1995?

You can include only the medical and dental expenses you paid during 1995, regardless of when the services were provided. If you pay medical expenses by check, the day you mail or deliver the check generally is the date of payment. If you use a "pay-by-phone" account to pay your medical expenses, the date reported on the statement of the financial institution showing when payment was made is the date of payment. You can include medical expenses you charge to your credit card in the year the charge is made. It does not matter when you actually pay the amount charged.

If you did not claim a medical or dental expense that would have been allowable in an earlier year, file Form 1040X, *Amended U.S. Individual Income Tax Return*, for the year in which you overlooked the expense. Do not claim the expense on this year's return. An amended return must be filed within 3 years from the date the original return was filed or within 2 years from the time the tax was paid, whichever is later.

You cannot include medical expenses that were paid by an insurance company or other sources. This is true whether the payments were made directly to you, to the patient, or to the provider of the medical services.

Decedent's medical expenses. Medical expenses for a decedent that are paid from his or her estate are treated as paid at the time the medical services were provided if they are paid within the one-year period beginning with the day after the date of death. See **Decedents**, later.

Medical expenses paid before death by the decedent are included in figuring any deduction for medical and dental expenses on the decedent's final income tax return. This includes expenses for the decedent as well as for the decedent's spouse and dependents.

Whose medical expenses can you include?

You can include medical expenses you pay for yourself and for the individuals discussed in this section.

Spouse. You can include medical expenses you paid for your spouse. To claim these expenses, you must have been married either at the time your spouse received the medical services or at the time you paid the medical expenses.

Example 1. Mary received medical treatment before she married Bill. Bill paid for the treatment after they married. Bill can include these expenses in figuring his medical expense deduction even if Bill and Mary file separate returns.

If Mary had paid the expenses before she and Bill married, Bill could not include Mary's expenses in his separate return. Mary would include the amounts she paid during the year in her separate return. If they filed a joint return, the medical expenses both paid during the year would be used to figure their medical expense deduction.

Example 2. *During 1995, John paid medical expenses for his wife Louise, who died in 1994. John married Belle in 1995 and they file a joint return. Because John was married to Louise when she incurred the medical expenses, he can include those expenses in figuring his medical deduction for 1995.*

Dependents. You can include medical expenses you paid for your dependent. To claim these expenses, the person must have been your dependent either at the time the medical services were provided or at the time you paid the expenses. A person generally qualifies as your dependent for purposes of the medical expense deduction if:

- 1) That person lived with you for the entire year as a member of your household or is related to you, and
- 2) That person was a U.S. citizen or resident, or a resident of Canada or Mexico for some part of the calendar year in which your tax year began, and
- 3) You provided over half of that person's total support for the calendar year.

You can include the medical expenses of any person who is your dependent even if you cannot claim an exemption for him or her on your return only because the dependent received \$2,500 or more of gross income or filed a joint return.

Example 1. *In 1994, your son was your dependent. In 1995, he no longer qualifies as your dependent. However, you paid \$800 in 1995 for medical expenses your son incurred in 1994, when he was your dependent. You can include the \$800 in figuring your 1995 medical expense deduction. You cannot include this amount on your 1994 return.*

Example 2. *Your son, age 22, earned \$2,600. You cannot claim an exemption for him because he earned more than \$2,500 and he is not a student. However, he is still your dependent because you provided more than half of his support, including \$800 for medical expenses. You can include the \$800 in figuring your medical expense deduction.*

Example 3. *You provided more than half of your married daughter's support, including medical expenses of \$1,200. She and her husband file a joint return. Although you may not be able to claim an exemption for your daughter, she is still your dependent, and you can include in your medical expenses the \$1,200 you paid.*

Adopted child. You can include medical expenses that you paid for a child before adoption, if the child qualified as your dependent when the medical services were provided or when the expenses were paid. If you pay back an adoption agency or other persons for medical expenses they paid under an agreement with you, you are treated as having paid those expenses provided you clearly substantiate the payment is directly attributable to the medical care of the child. But if you pay back medical expenses incurred and paid before adoption negotiations began, you cannot include them as medical expenses.

Child of divorced or separated parents. If either parent can claim a child as a dependent under the rules for divorced or separated parents, each parent can include the medical expenses he or she pays for the child even if an exemption for the child is claimed by the other parent.

Support claimed under a multiple support agreement. A multiple support agreement is used when two or more people provide more than half of a person's support, but no one alone provides more than half. If you are considered to have provided more than half of a person's support under such an agreement, you can include medical expenses you pay, even if you cannot claim the person because he or she had gross income of \$2,500 or more or filed a joint return.

Any medical expenses paid by others who joined you in the agreement cannot be included as medical expenses by anyone. However, you can include the entire unreimbursed amount you paid for medical expenses.

Example 1. *You and your three brothers each provide one-fourth of your mother's total support. Under a multiple support agreement, you claim your mother as a dependent. You paid all of her medical expenses. Your brothers repaid you for three-fourths of these expenses. In figuring your medical expense deduction, you can include only one-fourth of your mother's medical expenses. Your brothers cannot include any part of the expenses. However, if you and your brothers share the non-medical support items and you separately pay all of your mother's medical expenses, you can include the amount you paid for her medical expenses in your medical expenses.*

Example 2. *Assume the same facts as in the previous example except that your mother had gross income of \$2,600. You meet the support test under a multiple support agreement but you cannot claim an exemption for your mother because she had gross income of \$2,500 or more. However, you can include the amount you paid for your mother's medical expenses.*

Decedents

The survivor or personal representative of a decedent can choose to treat certain expenses paid by the decedent's estate for the decedent's medical care as paid by the decedent at the time the medical services were provided. The expenses must be paid within the one-year period beginning with the day after the date of death. If you are the survivor or personal representative making this choice, you must attach a statement to the decedent's Form 1040 or Form 1040X saying that the expenses have not been and will not be claimed on the estate tax return.

What if the decedent's return has been filed and the medical expenses were not included? Form 1040X can be filed for the year or years the expenses are treated as paid, unless the period for filing an amended return for that year has passed. An amended return must be filed within 3 years of the date the original return was filed, or within 2 years from the time the tax was paid, whichever date is later.

Example. *John filed his 1994 income tax return on April 12, 1995. He died on June 1, 1995. His unpaid medical expenses were \$1,500 for 1994 and \$2,000 for 1995. His executor paid the \$3,500 in medical expenses in January 1996. The executor can file an amended return for 1994, claiming the \$1,500 medical expenses as paid in 1994. The \$2,000 for 1995 can be treated as paid in 1995 and included as a medical expense on the return for 1995, which will be the decedent's final return.*

What if you pay medical expenses of a deceased spouse or dependent?

If you paid medical expenses for your deceased spouse or dependent, include them as medical expenses on your Form 1040 in the year paid, whether they are paid before or after the decedent's death. The expenses can be included if the person was your spouse or dependent either at the time the medical services were provided or at the time you paid the expense.

Medical Care

Medical care expenses include amounts paid for the diagnosis, cure, mitigation, treatment, or prevention of disease, and for treatments affecting any part or function of the body. The expenses must be primarily to alleviate or prevent a physical or mental defect or illness. Expenses for solely cosmetic reasons generally are not expenses for medical care. Also, expenses that are merely beneficial to one's general health (for example, vacations) are not expenses for medical care.

Medical care expenses also include the premiums you pay for insurance that covers the expenses of medical care, and the amounts you pay for transportation to get medical care. See **Insurance premiums** and **Transportation**, later, for more information.

Medical Expenses	Following is a list of items that you can or cannot include in figuring your medical expense deduction. The items are listed in alphabetical order on the left and are explained on the right.
Abortion	You can include in medical expenses the amount you pay for a legal abortion.
Acupuncture	You can include in medical expenses the amount you pay for acupuncture.
Alcoholism	<p>You can include in medical expenses amounts you pay for an inpatient's treatment at a therapeutic center for alcohol addiction. This includes meals and lodging provided by the center during treatment.</p> <p>You can also include in medical expenses transportation costs you pay to attend meetings of an Alcoholics Anonymous Club in your community if your attendance is pursuant to medical advice that membership in the Alcoholics Anonymous Club is necessary for the treatment of a disease involving the excessive use of alcoholic liquors.</p>
Ambulance	You can include in medical expenses amounts you pay for ambulance service.
Artificial limb	You can include in medical expenses the amount you pay for an artificial limb.
Artificial teeth	You can include in medical expenses the amount you pay for artificial teeth.
Autoette	See Wheelchair , later.
Baby sitting and child care	You cannot include in medical expenses amounts you pay for the care of your children even if the expenses enable you to get medical or dental treatment. Also, any expense allowed as a child care credit cannot be treated as an expense paid for medical care. See also Healthy baby under Nursing services , later.
Birth control pills	You can include in medical expenses the amount you pay for birth control pills prescribed by a doctor.
Braille books and magazines	You can include in medical expenses the part of the cost of braille books and magazines for use by a visually-impaired person that is more than the price for regular printed editions.
Capital expenses	<p>You can include in medical expenses amounts you pay for special equipment installed in your home, or for improvements, if their main purpose is medical care for you, your spouse, or a dependent. The cost of permanent improvements that increase the value of the property may be partly included as a medical expense. The cost of the improvement is reduced by the increase in the value of the property. The difference is a medical expense. If the value of the property is not increased by the improvement, the entire cost is included as a medical expense.</p> <p>Certain improvements made to accommodate your personal residence to your disabled condition, or that of your spouse or your dependents who live with you, do not usually increase the value of the residence and the cost can be included in full as medical expenses. These improvements include, but are not limited to, the following items:</p> <ul style="list-style-type: none"> • Constructing entrance or exit ramps to your residence, • Widening doorways at entrances or exits to your residence, • Widening or otherwise modifying hallways and interior doorways, • Installing railing, support bars, or other modifications to bathrooms, • Lowering or modifying kitchen cabinets and equipment, • Moving or modifying electrical outlets and fixtures, • Installing porch lifts and other forms of lifts but generally not elevators, • Modifying fire alarms, smoke detectors, and other warning systems, • Modifying stairways, • Adding handrails or grab bars anywhere (whether or not in bathrooms), • Modifying hardware on doors,

- Modifying areas in front of entrance and exit doorways, and
- Grading the ground to provide access to the residence.

Only reasonable costs to accommodate a personal residence to a disabled condition are considered medical care. Additional costs for personal motives, such as for architectural or aesthetic reasons, are not medical expenses.

Capital expense work chart. Use the following chart to figure the amount of your capital expense to include in your medical expenses.

- | | |
|--|----|
| 1. Enter amount you paid for the improvement. | \$ |
| <hr/> | |
| 2. Enter increase in value of your home. If line 2 is equal to or more than line 1, you have no deduction. Stop here. If not, go on to line 3. | |
| <hr/> | |
| 3. Subtract line 2 from line 1. This is your medical expense. | \$ |

Example. *You have a heart ailment. On your doctor's advice, you install an elevator in your home so that you will not have to climb stairs. The elevator costs \$2,000. An appraisal shows that the elevator increases the value of your home by \$1,400. You figure your medical expense like this:*

- | | |
|--|----------|
| 1. Enter amount you paid for the improvement. | \$ 2,000 |
| <hr/> | |
| 2. Enter increase in value of your home. If line 2 is equal to or more than line 1, you have no deduction. Stop here. If not, go on to line 3. | 1,400 |
| <hr/> | |
| 3. Subtract line 2 from line 1. This is your medical expense. | \$ 600 |

Operation and upkeep. Amounts you pay for operation and upkeep of a capital asset qualify as medical expenses, as long as the main reason for them is medical care. This is so even if none or only part of the original cost of the capital asset qualified as a medical care expense.

Example. *If, in the previous example, the elevator increased the value of your home by \$2,000, you would have no medical expense for the cost of the elevator. However, the cost of electricity to operate the elevator and any costs to maintain it are medical expenses as long as the medical reason for the elevator exists.*

Improvements to property rented by a person with a disability. Amounts paid by a person with a disability to buy and install special plumbing fixtures, mainly for medical reasons, in a rented house are medical expenses.

Example. *John has arthritis and a heart condition. He cannot climb stairs or get into a bathtub. On his doctor's advice, he installs a bathroom with a shower stall on the first floor of his two-story rented house. The landlord did not pay any of the cost of buying and installing the special plumbing and did not lower the rent. John can include in medical expenses the whole amount he paid.*

Car You can include in medical expenses the cost of special hand controls and other special equipment installed in a car for the use of a person with a disability.

Special design. The amount by which the cost of a car specially designed to hold a wheelchair is more than the cost of a regular car is a medical expense.

Cost of operation. You cannot deduct the cost of operating a specially equipped car, except as discussed under **Transportation**.

Chiropractors You can include in medical expenses fees you pay to a chiropractor for medical care.

Christian Science practitioners You can include in medical expenses fees you pay to Christian Science practitioners for medical care.

Contact lenses	You can include in medical expenses amounts you pay for contact lenses needed for medical reasons. You can also include the cost of equipment and materials required for using contact lenses, such as saline solution and enzyme cleaner. See also Eyeglasses .
Cosmetic surgery	<p>Generally, you cannot include in medical expenses the amount you pay for unnecessary cosmetic surgery. This applies to any procedure that is directed at improving the patient's appearance and does not meaningfully promote the proper function of the body or prevent or treat illness or disease. Procedures such as face lifts, hair transplants, hair removal (electrolysis), and liposuction generally are not deductible.</p> <p>You can include in medical expenses the amount you pay for cosmetic surgery if it is necessary to improve a deformity arising from, or directly related to, a congenital abnormality, a personal injury resulting from an accident or trauma, or a disfiguring disease.</p>
Crutches	You can include in medical expenses the amount you pay to buy or rent crutches.
Dancing lessons	You cannot include the cost of dancing lessons, swimming lessons, etc., even if they are recommended by a doctor, if they are only for the improvement of general health.
Dental treatment	You can include in medical expenses the amounts you pay for dental treatment. This includes fees paid to dentists for X-rays, fillings, braces, extractions, dentures, etc.
Diaper service	You cannot include in medical expenses the amount you pay for diapers or diaper services, unless they are needed to relieve the effects of a particular disease.
Drug addiction	You can include in medical expenses amounts you pay for an inpatient's treatment at a therapeutic center for drug addiction. This includes meals and lodging at the center during treatment.
Drugs	See Medicines .
Electrolysis or hair removal	See Cosmetic surgery .
Eyeglasses	You can include in medical expenses amounts you pay for eyeglasses and contact lenses needed for medical reasons. You can also include fees paid for eye examinations.
Founder's fee	See Lifetime care—advance payments .
Funeral expenses	You cannot include in medical expenses amounts you pay for funerals. However, funeral expenses may be deductible on the decedent's federal estate tax return. See Publication 950, <i>Introduction to Estate and Gift Taxes</i> , or Publication 448, <i>Federal Estate and Gift Taxes</i> .
Guide dog or other animal	You can include in medical expenses the cost of a guide dog or other animal to be used by a visually-impaired or hearing-impaired person. You can also include the cost of a dog or other animal trained to assist persons with other physical disabilities. Amounts you pay for the care of these specially trained animals are also medical expenses.
Hair transplant	See Cosmetic surgery .
Health club dues	You cannot include in medical expenses health club dues, YMCA dues, or amounts paid for steam baths for your general health or to relieve physical or mental discomfort not related to a particular medical condition.

You cannot include in medical expenses the cost of membership in any club organized for business, pleasure, recreation, or other social purpose.

Health institute	You can include in medical expenses fees you pay for treatment at a health institute only if the treatment is prescribed by a physician and the physician issues a statement that the treatment is necessary to alleviate a physical or mental defect or illness in the individual receiving the treatment.
Health Maintenance Organization (HMO)	You can include in medical expenses amounts you pay to entitle you or a dependent to receive medical care from a health maintenance organization. These amounts are treated as medical insurance premiums. See Insurance premiums .
Hearing aids	You can include in medical expenses the cost of a hearing aid and the batteries you buy to operate it.
Hospital services	You can include in medical expenses amounts you pay for the cost of inpatient care at a hospital or similar institution if the main reason for being there is to receive medical care. This includes amounts paid for meals and lodging. Also see Lodging .
Household help	You cannot include in medical expenses the cost of household help, even if such help is recommended by a doctor. This is a personal expense which is not deductible. However, you may be able to include certain expenses paid to a person providing nursing-type services. See Nursing services .
Illegal operations and treatments	You cannot include in medical expenses amounts you pay for illegal operations or treatments whether rendered by licensed or unlicensed practitioners.
Insurance premiums	<p>You can include in medical expenses insurance premiums you pay for policies that cover medical care. Policies can provide payment for:</p> <ul style="list-style-type: none">• Hospitalization, surgical fees, X-rays, etc.,• Prescription drugs,• Replacement of lost or damaged contact lenses, or• Membership in an association that gives cooperative or so-called “free-choice” medical service, or group hospitalization and clinical care. <p>The insurance policy can pay you, the patient, or the care provider (hospital, doctor, dentist, etc.) directly.</p> <p>If you have a policy that provides more than one kind of payment, you can include the premiums for the medical care part of the policy if the charge for the medical part is reasonable. The cost of the medical portion must be separately stated in the insurance contract or given to you in a separate statement.</p> <p>Cafeteria plans. Do not include in your medical and dental expenses (line 1 of Schedule A) insurance premiums paid by an employer-sponsored health insurance plan (cafeteria plan) unless the premiums are included in box 1 of your Forms W-2. Also, do not include any other medical and dental expenses paid by the plan unless the amount paid is included in box 1 of your W-2 form(s).</p> <p>Medicare A. If you are covered under social security (or if you are a government employee who paid Medicare tax), you are enrolled in Medicare A. The tax paid for Medicare A is not a medical expense. If you are not covered under social security (or were not a government employee who paid Medicare tax), you may voluntarily enroll in Medicare A. In this situation the premiums paid in 1995 for Medicare A can be included as a medical expense on your tax return.</p> <p>Medicare B. Medicare B is a supplemental medical insurance. Premiums you pay for Medicare B are a medical expense. If you applied for it at age 65, you can deduct \$46.10 for each month in 1995 for which you paid a premium. If you were over age 65 when you first enrolled, check the information you received from the Social Security Administration to find out your premium.</p>

Prepaid insurance premiums. Premiums you pay before you are 65 for insurance for medical care for yourself, your spouse, or your dependents after you reach 65 are medical care expenses in the year paid if they are:

- 1) Payable in equal yearly installments, or more often, and
- 2) Paid for at least 10 years, or until you reach age 65 (but not for less than 5 years).

Unused sick leave used to pay premiums. You must include in gross income cash payments you receive at the time of retirement for unused sick leave. You must also include in gross income the value of unused sick leave that, at your option, your employer applies to the cost of your continuing participation in your employer's health plan after you retire. You can include this cost of continuing participation in the health plan as a medical expense.

If you participate in a health plan where your employer automatically applies the value of unused sick leave to the cost of your continuing participation in the health plan (and you do not have the option to receive cash), you do not include the value of the unused sick leave in gross income. You cannot include this cost of continuing participation in that health plan as a medical expense.

You cannot include premiums you pay for:

- Life insurance policies,
- Policies providing payment for loss of earnings,
- Policies for loss of life, limb, sight, etc.,
- Policies that pay you a guaranteed amount each week for a stated number of weeks if you are hospitalized for sickness or injury, or
- The part of your car insurance premiums that provides medical insurance coverage for all persons injured in or by your car because the part of the premium for you, your spouse, and your dependents is not stated separately from the part of the premium for medical care for others.

Health insurance costs for self-employed persons. If you were self-employed and had a net profit for the year, were a general partner (or a limited partner receiving guaranteed payments), or if you received wages from an S corporation in which you were a more than 2% shareholder (who is treated as a partner), you may be able to deduct up to 30% of the amount paid for health insurance on behalf of yourself, your spouse, and dependents. You take this deduction on line 26 of Form 1040. If you itemize your deductions, include the remaining premiums with all other medical care expenses on Schedule A, subject to the 7.5% limit.

You may not take the deduction for any month in 1995 in which you were eligible to participate in any subsidized health plan maintained by your employer or your spouse's employer.

If you qualify to take the deduction, use the following worksheet to figure the amount you can deduct. But, if either of the following applies, do not use the worksheet. Instead, use the worksheet in Publication 535, *Business Expenses*, to figure your deduction.

- You had more than one source of income subject to self-employment tax.
- You file Form 2555, *Foreign Earned Income*, or Form 2555-EZ, *Foreign Earned Income Exclusion*.

Worksheet for Self-Employed Health Insurance Deduction
(Keep for your records)

-
1. Enter the total amount paid in 1995 for health insurance coverage for 1995 for you, your spouse, and dependents. But do not include amounts for any month you were eligible to participate in an employer-sponsored health plan.

 2. Percentage used to figure the deduction. × **.30**

 3. Multiply line 1 by the percentage on line 2.

 4. Enter your net profit and any other earned income* from the business under which the insurance plan is established, minus any deductions you claim on Form 1040, lines 25 and 27.

 5. **Self-employed health insurance deduction.** Enter the **smaller** of line 3 or line 4 here and on Form 1040, line 26. Do not include this amount in figuring any medical expense deduction on Schedule A (Form 1040).
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***Earned income** includes net earnings and gains from the sale, transfer, or licensing of property you created. It does not include capital gain income. If you were a more than 2% shareholder in an S corporation, earned income is your wages from that corporation.

Laboratory fees

You can include in medical expenses the amounts you pay for laboratory fees that are part of your medical care.

Lead-based paint removal

You can include in medical expenses the cost of removing lead-based paints from surfaces in your home to prevent a child who has or has had lead poisoning from eating the paint. These surfaces must be in poor repair (peeling or cracking) or within the child's reach. The cost of repainting the scraped area is not a medical expense.

If, instead of removing the paint, you cover the area with wallboard or paneling, treat these items as capital expenses. See **Capital expenses**, earlier. Do not include the cost of painting the wallboard as a medical expense.

Learning disability

You can include in medical expenses tuition fees you pay to a special school for a child who has severe learning disabilities caused by mental or physical impairments, including nervous system disorders. Your doctor must recommend that the child attend the school. See **Schools and education, special**, later.

You can also include tutoring fees you pay on your doctor's recommendation for the child's tutoring by a teacher who is specially trained and qualified to work with children who have severe learning disabilities.

Legal fees

You can include in medical expenses legal fees you paid that are necessary to authorize treatment for mental illness. However, you cannot include in medical expenses fees for the management of a guardianship estate, fees for conducting the affairs of the person being treated, or other fees that are not necessary to the medical care.

**Lifetime care—
advance payments**

You can include in medical expenses a part of a life-care fee or "founder's fee" you pay either monthly or as a lump sum under an agreement with a retirement home. The part of the payment you include is the amount properly allocable to medical care. The agreement must require a specified fee payment as a condition for the home's promise to provide lifetime care that includes medical care.

Dependents with disabilities. You can include in medical expenses advance payments to a private institution for lifetime care, treatment, and training of your physically or mentally impaired dependent upon your death or when you become unable to provide care. The payments must be a condition for the institution's future acceptance of your dependent and must not be refundable.

Payments for future medical care. Generally, you are not allowed to include in medical expenses current payments for medical care (including medical insurance) to be provided substantially beyond the end of the year. This rule does not apply in situations where the future care is purchased in connection with obtaining lifetime care of the type described above.

Lodging

You can include in medical expenses the cost of meals and lodging at a hospital or similar institution if your main reason for being there is to receive medical care. See **Nursing home**, later.

You may be able to include in medical expenses the cost of lodging not provided in a hospital or similar institution. You can include the cost of such lodging while away from home if you meet all of the following requirements.

- 1) The lodging is primarily for and essential to medical care.
- 2) The medical care is provided by a doctor in a licensed hospital or in a medical care facility related to, or the equivalent of, a licensed hospital.
- 3) The lodging is not lavish or extravagant under the circumstances.
- 4) There is no significant element of personal pleasure, recreation, or vacation in the travel away from home.

The amount you include in medical expenses cannot exceed \$50 for each night for each person. Lodging is included for a person for whom transportation expenses are a medical expense because that person is traveling with the person receiving the medical care. For example, if a parent is traveling with a sick child, up to \$100 per night is included as a medical expense for lodging. (Meals are not deductible.)

Do not include the cost of your lodging while you are away from home for medical treatment if you do not receive that treatment from a doctor in a licensed hospital or in a medical care facility related to, or the equivalent of, a licensed hospital or if that lodging is not primarily for or essential to the medical care you are receiving.

Maternity clothes

You cannot include in medical expenses amounts you pay for maternity clothes.

Meals

You can include in medical expenses the cost of meals at a hospital or similar institution if the main purpose for being there is to get medical care.

You cannot include in medical expenses the cost of meals that are not part of in-patient care.

Medical information plan

You can include in medical expenses amounts paid to a plan that keeps your medical information so that it can be retrieved from a computer data bank for your medical care.

Medical services

You can include in medical expenses amounts you pay for legal medical services provided by:

- Physicians,
- Surgeons,
- Specialists, or
- Other medical practitioners.

Medicines

You can include in medical expenses amounts you pay for prescribed medicines and drugs. A prescribed drug is one which requires a prescription by a doctor for its use by an individual. You can also include amounts you pay for insulin. Except for insulin, you cannot include in medical expenses amounts you pay for a drug that is not prescribed.

Laetrile. You can include in medical expenses amounts you pay for laetrile prescribed by a doctor and purchased and used in a location where the sale and use are legal.

Mentally retarded, special home for

You can include in medical expenses the cost of keeping a mentally retarded person in a special home, not the home of a relative, on the recommendation of a psychiatrist to help the person adjust from life in a mental hospital to community living.

Nursing home

You can include in medical expenses the cost of medical care in a nursing home or home for the aged for yourself, your spouse, or your dependents. This includes the cost of meals and lodging in the home if the main reason for being there is to get medical care.

Do not include the cost of meals and lodging if the reason for being in the home is personal. You can, however, include in medical expenses the part of the cost that is for medical or nursing care.

Nursing services

You can include in medical expenses wages and other amounts you pay for nursing services. Services need not be performed by a nurse as long as the services are of a kind generally performed by a nurse. This includes services connected with caring for the patient's condition, such as giving medication or changing dressings, as well as bathing and grooming the patient.

Only the amount spent for nursing services is a medical expense. If the attendant also provides personal and household services, these amounts must be divided between the time spent performing household and personal services and the time spent for nursing services. However, certain expenses for household services or for the care of a qualifying individual incurred to allow you to work may qualify for the child and dependent care credit. See Publication 503, *Child and Dependent Care Expenses*.

You can also include in medical expenses part of the amounts you pay for that attendant's meals. Divide the food expense among the household members to find the cost of the attendant's food. Then apportion that cost in the same manner, as described above, that you apportioned the attendant's wages between nursing services and all other services. If you had to pay additional amounts for household upkeep because of the attendant, you can include the extra amounts with your medical expenses. This includes extra rent or utilities you pay because you moved to a larger apartment to provide space for the attendant.

Employment taxes. You can include social security tax, FUTA, Medicare tax, and state employment taxes you pay for a nurse, attendant, or other person who provides medical care as a medical expense. For information on employment tax responsibilities of household employers, see Publication 926, *Household Employer's Tax Guide*.

Healthy baby. Do not include the cost of nursing services for a normal, healthy baby. But you may be able to take a credit for child care expenses. See Publication 503, *Child and Dependent Care Expenses*, for more information.

Operations

You can include in medical expenses amounts you pay for legal operations.

Optometrist

See **Eyeglasses**, earlier.

Organ donors

See **Transplants**, later.

Osteopath

You can include in medical expenses amounts you pay to an osteopath for medical care.

Oxygen

You can include in medical expenses amounts you pay for oxygen and oxygen equipment to relieve breathing problems caused by a medical condition.

Personal use items	<p>You cannot include in medical expenses an item ordinarily used for personal, living, or family purposes unless it is used primarily to prevent or alleviate a physical or mental defect or illness. For example, the full cost of a wig purchased upon the advice of a physician for the mental health of a patient who has lost all of his or her hair from disease can be included with medical expenses.</p> <p>Where an item purchased in a special form primarily to alleviate a physical defect is one that in normal form is ordinarily used for personal, living, or family purposes, the excess of the cost of the special form over the cost of the normal form is a medical expense (see Braille books and magazines).</p>
Prosthesis	See Artificial limb , earlier.
Psychiatric care	You can include in medical expenses amounts you pay for psychiatric care. This includes the cost of supporting a mentally ill dependent at a specially equipped medical center where the dependent receives medical care. See Psychoanalysis and Transportation .
Psychoanalysis	You can include in medical expenses payments for psychoanalysis. You cannot include payments for psychoanalysis that you must get as a part of your training to be a psychoanalyst.
Psychologist	You can include in medical expenses amounts you pay to a psychologist for medical care.
Schools and education, special	<p>You can include in medical expenses payments to a special school for a mentally impaired or physically disabled person if the main reason for using the school is its resources for relieving the disability. You can include, for example, the cost of:</p> <ul style="list-style-type: none"> • Teaching braille to a visually impaired child, • Teaching lip reading to a hearing impaired child, or • Giving remedial language training to correct a condition caused by a birth defect. <p>The cost of meals, lodging, and ordinary education supplied by a special school can be included in medical expenses only if the main reason for the child's being there is the resources the school has for relieving the mental or physical disability.</p> <p>You cannot include in medical expenses the cost of sending a problem child to a special school for benefits the child may get from the course of study and the disciplinary methods.</p>
Smoking program	You cannot include in medical expenses the cost of a program to stop smoking that you join for the improvement of your general health, even if your doctor suggests the program.
Sterilization	You can include in medical expenses the cost of a legal sterilization (a legally performed operation to make a person unable to have children).
Surgery	See Operations , earlier.
Swimming lessons	See Dancing lessons , earlier.
Telephone	You can include in medical expenses the cost and repair of special telephone equipment that lets a hearing-impaired person communicate over a regular telephone.
Television	You can include in medical expenses the cost of equipment that displays the audio part of television programs as subtitles for hearing-impaired persons. This may be the cost of an adapter that attaches to a regular set. It also may be the cost of a specially equipped television that exceeds the cost of the same model regular television set.

Therapy	<p>You can include in medical expenses amounts you pay for therapy you receive as medical treatment.</p> <p>“Patterning” exercises. Payments you make to an individual for giving “patterning” exercises to a mentally retarded child are medical care expenses. These exercises consist mainly of coordinated physical manipulation of the child’s arms and legs to imitate crawling and other normal movements.</p>
Transplants	<p>You can include in medical expenses payments you make for surgical, hospital, laboratory, and transportation expenses for a donor or a possible donor of a kidney or other organ. You cannot include expenses if you did not pay for them.</p> <p>A donor or possible donor can include surgical, hospital, laboratory, and transportation expenses in medical expenses only if he or she pays for them.</p>
Transportation	<p>Amounts paid for transportation primarily for, and essential to, medical care qualify as medical expenses.</p> <p>You can include:</p> <ul style="list-style-type: none"> • Bus, taxi, train, or plane fares, or ambulance service, • Actual car expenses, such as gas and oil (do not include expenses for general repair, maintenance, depreciation, and insurance), • Parking fees and tolls, • Transportation expenses of a parent who must go with a child who needs medical care, • Transportation expenses of a nurse or other person who can give injections, medications, or other treatment required by a patient who is traveling to get medical care and is unable to travel alone, and • Transportation expenses for regular visits to see a mentally ill dependent, if these visits are recommended as a part of treatment. <p>Note. Instead of deducting actual car expenses, you can deduct 9 cents a mile for use of your car for medical reasons. Add the cost of tolls and parking to this amount.</p> <p>Do not include:</p> <ul style="list-style-type: none"> • Transportation expenses to and from work, even if your condition requires an unusual means of transportation, or • Transportation expenses if, for nonmedical reasons only, you choose to travel to another city, such as a resort area, for an operation or other medical care prescribed by your doctor.
Trips	<p>You can include in medical expenses amounts you pay for transportation to another city if the trip is primarily for, and essential to, receiving medical services. You may be able to include up to \$50 per night for lodging. See Lodging.</p> <p>You cannot include in medical expenses a trip or vacation taken merely for a change in environment, improvement of morale, or general improvement of health, even if you make the trip on the advice of a doctor.</p>
Tuition	<p>You can include in medical expenses charges for medical care included in the tuition of a college or private school, if the charges are separately stated in the bill or given to you by the school. See Learning disability and Schools and education, special.</p>
Weight loss program	<p>You cannot include the cost of a weight loss program for your general health even if your doctor prescribes the program.</p>
Wheelchair	<p>You can include in medical expenses amounts you pay for an autoette or a wheelchair used mainly for the relief of sickness or disability, and not just to provide transportation to and from work. The cost of operating and keeping up the autoette or wheelchair is also a medical expense.</p>

X-ray fees

You can include in medical expenses amounts you pay for X-rays that you get for medical reasons.

Impairment-related expenses to be able to work—business or medical expenses?

If you are disabled and have expenses which are necessary for you to be able to work (impairment-related work expenses), take a business deduction for these expenses, rather than a medical deduction. You are disabled if you have:

- A physical or mental disability (for example, blindness or deafness) that functionally limits your being employed, or
- A physical or mental impairment (for example, a sight or hearing impairment) that substantially limits one or more of your major life activities, such as performing manual tasks, walking, speaking, breathing, learning, or working.

Deduct impairment-related expenses as business expenses if they are:

- Necessary for you to do your work satisfactorily,
- For goods and services not required or used, other than incidentally, in your personal activities, and
- Not specifically covered under other income tax laws.

If you are self-employed, deduct the business expenses on the appropriate form (Schedule C, C-EZ, E, or F) used to report your business income and expenses. If you are an employee with impairment-related work expenses, complete Form 2106, *Employee Business Expenses*, or Form 2106-EZ, *Unreimbursed Employee Business Expenses*. Enter the amount from line 10 of Form 2106 or line 6 of Form 2106-EZ on Schedule A, Form 1040, as a miscellaneous deduction. Your impairment-related work expenses are not subject to the 2% of adjusted gross income limit that applies to other employee business expenses.

Example. *You are blind. You must use a reader to do your work. You use the reader both during your regular working hours at your place of work and outside your regular working hours away from your place of work. The reader's services are only for your work. You can deduct your expenses for the reader as business expenses.*

Insurance reimbursement

You must reduce your total medical expenses for the year by all reimbursements for medical expenses that you receive from insurance or other sources during the year. This includes payments from Medicare.

Generally, you do not have to reduce medical expenses by payments you receive for:

- Permanent loss or loss of use of a member or function of the body (loss of limb, sight, hearing, etc.) or disfigurement that is based on the nature of the injury without regard to the amount of time lost from work,
- Loss of earnings, or
- Damages for personal injury or sickness.

You must, however, reduce your medical expenses by any part of these payments that is designated for medical costs. See **How to figure your deduction**, later.

What if your insurance reimbursement is more than your medical expenses?

If you are reimbursed for all of your medical expenses for the year, you do not have a medical deduction.

Premiums paid by you. If you pay the entire premium for your medical insurance or all the costs of a similar plan, and your insurance payments or other reimbursements are more than your total medical expenses for the year, you have **excess reimbursement**. Do not include the excess reimbursement in your gross income.

Premiums paid by you and your employer. If both you and your employer contribute to your medical insurance plan and your employer's contributions are not included in your gross income, you must include in your gross income the part of your excess reimbursement that is from your employer's contribution.

Example. *You are covered by your employer's medical insurance policy. The annual premium is \$2,000. Your employer pays \$600 of that amount and the balance of \$1,400 is taken out of your wages. The part of any excess reimbursement you receive under the policy that is from your employer's contributions is figured like this:*

<i>Total annual cost of policy</i>	<i>\$2,000</i>
<i>Amount paid by employer</i>	<i>600</i>
Employer's contribution in relation to the total annual cost of the policy <i>(\$600 ÷ \$2,000)</i>	30%

You must include in your gross income 30% of any excess reimbursement you received for medical expenses under the policy.

Premiums paid by your employer. If your employer or your former employer pays the total cost of your medical insurance plan and your employer's contributions are not included in your income, you must report all of your excess reimbursement as income.

More than one policy. If you are covered under more than one policy, the costs of which are paid by both you and your employer, you must first divide the medical expense among the policies to figure the excess reimbursement from each policy. Then divide the policy costs to figure the part of any excess reimbursement that is from your employer's contribution.

Example. *You are covered by your employer's health insurance policy. The annual premium is \$1,200. Your employer pays \$300, and the balance of \$900 is deducted from your wages. You also paid the entire premium (\$250) for a personal health insurance policy.*

During the year, you paid medical expenses of \$3,600. In the same year, you were reimbursed \$2,500 under your employer's policy and \$1,500 under your personal policy.

You figure the part of the excess reimbursement that is from your employer's contribution like this:

Step 1.	
<i>Reimbursement from employer's policy</i>	<i>\$ 2,500</i>
<i>Reimbursement from your policy</i>	<i>1,500</i>
Total reimbursement	\$ 4,000
<i>Amount of medical expenses from your policy [(\$1,500 ÷ \$4,000) × \$3,600 total medical expenses]</i>	<i>\$ 1,350</i>
<i>Amount of medical expenses from your employer's policy [(\$2,500 ÷ \$4,000) × \$3,600 total medical expenses]</i>	<i>2,250</i>
Total medical expenses	\$ 3,600
Excess reimbursement from your employer's policy <i>(\$2,500 – \$2,250)</i>	\$ 250

Step 2.

Because both you and your employer contributed to the cost of this policy, you must divide the cost to determine the excess reimbursement from your employer's contribution.

<i>Employer's contribution in relation to the annual cost of the policy</i>	
<i>(\$300 ÷ \$1,200)</i>	<i>25%</i>

Amount to report as income	
<i>(25% × \$250)</i>	\$ 62.50

What if you receive insurance reimbursement in a later year?

If you are reimbursed in a later year for a medical expense you deducted in an earlier year, you must report as income the amount you received from insurance or other sources that is equal to, or less than, the amount you previously deducted as medical expenses. However, you do not have to report as income the amount of reimbursement you received up to the amount of your medical deductions that did not reduce your tax for the earlier year.

Example. *You are single. Your adjusted gross income in 1994 was \$20,000. During that year you paid medical insurance premiums of \$500 and other medical expenses of \$1,900. You deducted \$900, figured like this:*

Step 1.

<i>Medical expenses</i>	<i>\$ 1,900</i>
<i>Insurance premiums</i>	<i>500</i>
<i>Total</i>	<i>\$ 2,400</i>
<i>Minus 7.5% (.075) of adjusted gross income</i>	<i>1,500</i>
Total medical expense deduction	\$ 900

Step 2.

In 1994, your itemized deductions, including medical expenses, were \$5,100. In 1995, you collected \$600 under your insurance policy for part of your 1994 medical expenses. If you had collected it in 1994, your deduction for medical expenses would have been only \$300, figured like this:

<i>Medical expenses</i>	<i>\$ 1,900</i>
<i>Insurance premiums</i>	<i>500</i>
<i>Total</i>	<i>\$ 2,400</i>
<i>Minus: insurance payments</i>	<i>600</i>
<i>Balance</i>	<i>\$ 1,800</i>
<i>Minus: 7.5% (.075) of adjusted gross income</i>	<i>1,500</i>
Total medical expense deduction	\$ 300

Step 3.

Your \$900 medical expense deduction in 1994 reduced your income tax in that year. You must include the \$600 of insurance reimbursement in income in 1995. Report the \$600 on line 21, Form 1040.

For more information about the recovery of an amount that you claimed as an itemized deduction in an earlier year, see *Recoveries* in Publication 525, *Taxable and Nontaxable Income*.

What if you are reimbursed for medical expenses you did not deduct?

If you did not deduct a medical expense in the year you paid it because your medical expenses were not more than 7.5% of your adjusted gross income, or because you did not itemize deductions, do not include in income the reimbursement for this expense that you receive in a later year.

Example. *In 1995, you have medical expenses of \$500. You cannot deduct the \$500 because it is less than 7.5% of your adjusted gross income. If, in a later year, you are reimbursed for any of the \$500 medical expenses, you do not include that amount in your gross income.*

Sale of medical property

You may have a taxable gain if you sell medical equipment or property, the cost of which you deducted as a medical expense on your tax return for a previous year. The taxable gain is the amount of the selling price that is more than the equipment's adjusted basis. The adjusted basis is the portion of the equipment's cost which was not deductible because of the 7.5% limit (5% for 1983–1986 and 3% before 1983) used to compute the medical deduction. Use the formula below (with amounts from the return on which the cost of the equipment was deducted) to figure the adjusted basis.

$$\begin{array}{l} 7.5\% \text{ (5\% for 1983-1986,} \\ 3\% \text{ before 1983) of} \\ \text{Adjusted Gross Income} \end{array} \times \frac{\text{Cost of Equipment}}{\text{Total Medical Expenses}} = \text{Adjusted Basis}$$

If your allowable itemized deductions were more than your adjusted gross income for the year the cost of the equipment was deducted, the adjusted basis of the equipment is increased by a portion of the surplus itemized deductions. Use the formula below to figure the increase.

$$\frac{\text{Surplus Itemized Deductions}}{\text{Total Itemized Deductions}} \times \frac{\text{Cost of Equipment} - \text{Adjusted Basis}}{\text{Total Itemized Deductions}} = \text{Increase}$$

Add the increase to the adjusted basis. The result is the new adjusted basis for purposes of computing the taxable gain. See Chapter 3 in Publication 544, *Sales and Other Dispositions of Assets*, for information on the tax treatment of the gain.

Example of sale of medical property. *You have a heart condition and difficulty breathing. Your doctor prescribed oxygen equipment to help you breathe. Last year, you bought the oxygen equipment for \$3,000. You itemized deductions and included it in your medical expense deduction.*

Last year you also paid \$750 for deductible medical services and \$6,400 for other itemized deductions. Your adjusted gross income was \$5,000.

Taking into account the 7.5% limit on medical expenses, your allowable itemized deductions totaled \$9,775, figured as follows:

<i>Oxygen equipment</i>	<i>\$ 3,000</i>
<i>Medical services</i>	<i>750</i>
<i>Total medical expenses</i>	<i>\$ 3,750</i>
<i>Limit (7.5% of adjusted gross income of \$5,000)</i>	<i>– 375</i>
<i>Allowable medical expense deduction</i>	<i>\$ 3,375</i>
<i>Other itemized deductions</i>	<i>6,400</i>
<i>Allowable itemized deductions</i>	<i>\$ 9,775</i>

There was a \$4,775 surplus of allowable itemized deductions over adjusted gross income (\$9,775 minus \$5,000 = \$4,775).

Allocating the nondeductible limit. *To determine the part of the 7.5% limit that is allocable to the oxygen equipment, multiply the limit, \$375, by the ratio of cost of the equipment, \$3,000, to the total medical expenses, \$3,750. Your basis in the equipment is this \$300 portion of the cost of the equipment that is nondeductible because of the 7.5% limit.*

Allocating surplus deductions. *To determine the part of the surplus itemized deductions that is allocable to the oxygen equipment, multiply the total available surplus deductions, \$4,775, by the ratio of the deductible portion of the amount paid for the oxygen equipment, \$2,700 (\$3,000 cost of equipment minus \$300 attributable to the 7.5% limit) to the total available deductions, \$9,775. Your adjusted basis in the oxygen equipment includes this \$1,319 (\$4,775 multiplied by \$2,700 divided by \$9,775). This amount is the portion of surplus deductions allocable to the oxygen equipment. Your total adjusted basis in the equipment is \$1,619 (\$300 plus \$1,319).*

Determining gain. *This year, you sold the oxygen equipment for \$2,000. You realized a gain of \$381 (\$2,000 minus \$1,619). This amount represents the recovery of an amount previously deducted for federal income tax purposes and is taxable as ordinary income.*

Settlement of damage suit

If you receive an amount in settlement of a personal injury suit, the part that is for medical expenses deducted in an earlier year is included as income in the later year if your medical deduction in the earlier year reduced your income tax in that year. See **What if you receive insurance reimbursement in a later year**, discussed earlier.

Future medical expenses. If you receive an amount in settlement of a damage suit for personal injuries that is properly allocable or determined to be for future medical expenses, you must reduce any medical expenses for these injuries until the amount you received has been completely used.

How to figure your deduction

To figure your medical and dental expense deduction, complete lines 1–4 of Schedule A, Form 1040, as follows:

Line 1. Write in the amount you paid for medical expenses after reducing the amount by payments you received from insurance and other sources. Medical expenses include amounts paid for prescription medicine and drugs, insulin, doctors, dentists, nurses, hospitals, and insurance premiums for medical and dental care. These expenses also include amounts paid for hearing aids, dentures, eyeglasses, transportation and lodging, etc.

Line 2. Enter your adjusted gross income from line 32, Form 1040.

Line 3. Multiply the amount on line 2 (adjusted gross income) by 7.5% (.075) and enter the result.

Line 4. If line 3 is more than line 1, enter zero. Otherwise, subtract the amount on line 3 from the amount on line 1. This is your deduction for medical and dental expenses.

Example. *Bill and Helen Jones belong to a group medical plan and part of their insurance is paid by Bill's employer. They file a joint return, and their adjusted gross income is \$33,004. The following medical expenses Bill and Helen paid in 1995 have been reduced by payments they received from the insurance company.*

- 1) For themselves, Bill and Helen paid \$375 for prescription medicines and drugs, \$337 for hospital bills, \$439 for doctor bills, \$295 for hospitalization insurance, \$380 for medical and surgical insurance, and \$33 for transportation for medical treatment, which totals \$1,859.*
- 2) For Grace Taylor (Helen's dependent mother), they paid \$300 for doctors, \$300 for insulin, and \$175 for eyeglasses, which totals \$775.*

3) For Betty Jones (Bill's dependent sister), they paid \$450 for doctors and \$350 for prescription medicines and drugs, which totals \$800.

Bill and Helen add all their medical and dental expenses together (\$1,859 + \$775 + \$800 = \$3,434). They figure their deduction on the medical and dental expenses portion of Schedule A, Form 1040, which follows:

SCHEDULES A&B (Form 1040)		Schedule A—Itemized Deductions (Schedule B is on back)		OMB No. 1545-0074	
Department of the Treasury Internal Revenue Service		▶ Attach to Form 1040. ▶ See instructions for Schedules A and B (Form 1040).		1995 Attachment Sequence No. 07	
Name(s) shown on Form 1040				Your social security number	
Bill and Helen Jones				000:00:0000	
Medical and Dental Expenses	Caution: Do not include expenses reimbursed or paid by others.				
	1	Medical and dental expenses (see page A-1)	1	3,434	
	2	Enter amount from Form 1040, line 32.	2	3,304	
	3	Multiply line 2 above by 7.5% (.075)	3	247.5	
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4		959	

Recordkeeping

For each medical expense, you must keep a record of the name and address of each person you paid, and the amount and date of the payment.

When requested by the IRS, you must be able to substantiate your medical deduction with a statement or itemized invoice from the person or entity you paid showing the nature of the expense, for whom it was incurred, the amount paid, the date of payment, and any other information the IRS may deem necessary. Do not file these records with your return.