



February 7, 2024

## **WHAT MEDICAL EXPENSES TAX DEDUCTIONS?**

**If you have medical expenses that exceed 7.5% of your Adjusted Gross Income (AGI), you may be able to deduct them on your federal income tax return.**

**This deduction is one of the itemized deductions that can help lower your tax bill. Once you exceeded the 7.5% threshold for medical expenses that is added to your State Income Tax paid, House Property Taxes, Automobile Licenses, School District Taxes, House Mortgage Interest, Home Equity Interest, Charitable Contributions, Safety Box fees, Tax Preparation fee, and Gambling loses. For 2022 the Standard Deduction is \$12,900 for a Single taxpayer or \$25,900 for a Married Filing Joint status. Once the total dollars added from the items listed above exceeds the Standard Deduction amount you will claim Itemized Deductions.**

**So, if your AGI is \$50,000 and your total medical expenses are \$5,000, you can deduct \$1,250 ( $\$50,000 \times 7.5\% = \$3,750$  threshold) then ( $\$5,000 - \$3,750 = \$1,250$  medical expense deduction for Schedule A.**

**In order to [claim the deduction](#), you will need to itemize your deductions using Schedule A. Medical expenses are any costs you pay for medical care or supplies.**

## **WHAT QUALIFIES AS A QUALIFIED MEDICAL EXPENSE?**

**These include but are not limited to the following:**

- 1. Doctor visits and consultations.**

2. **Hospital costs, including any insurance premiums you pay for coverage of in-hospital care. However, it does not include payments for long-term stays or permanent placement in a nursing home.**
3. **Nursing care, including the cost of a home health aide. Medical equipment, including crutches, eyeglasses, contact lenses, hearing aids, and wheelchairs.**
4. **Prescription drugs and insulin.**
5. **Physical therapy and other medically related services.**
6. **X-rays, lab tests, and other diagnostic services, including the cost of a home health aide.**
7. **Personal care services**, such as help with bathing and dressing and other similar daily living activities. These include but are not limited to: Assistance with eating meals (properly chewing food so that you can swallow it).
  - 7a. **Washing and dressing (getting dressed, taking off clothes, putting on underclothing, fastening buttons and zippers).**
  - 7b. **Cleaning the house (including dusting, vacuuming, and mopping floors). Washing dishes. Doing laundry. Ironing.**
  - 7c. **Taking out the trash.**
  - 7d. **Grocery shopping.**
  - 7e. **Taking the dog for a walk.**
  - 7f. **Driving to your doctor's appointments, school, or other places you need to go.**
  - 7g. **Using public transportation and getting on and off it.**

**There are a few different types of medical expense tax deductions that you may be tax deductible.**

- 1. The first is the itemized deduction for medical and dental expenses, which is available if you itemize your deductions on your tax return. This deduction is available for expenses that exceed 7.5% of your adjusted gross income.**
- 2. The second type of deduction is the Health Savings Account deduction. This deduction is available if you have a Health Savings Account, and you use it to pay for qualified medical expenses.**
- 3. The third type of deduction is the Self-Employed Health Insurance Deduction, which is available if you are self-employed, and you pay for your own health insurance.**
- 4. The fourth type is the deduction for long-term care insurance premiums.**
- 5. The fifth type of deduction is available if you receive benefits under Part A or Part B of Medicare.**

## **THERE ARE A FEW OTHER THINGS TO KEEP IN MIND WHEN IT COMES TO DEDUCTING MEDICAL EXPENSES.**

- You can only deduct expenses that you actually paid during the year.**
- If you still owe a bill, you can't deduct it until you pay it off.**
- You also can't claim medical expenses that have been reimbursed by your insurance company or by any other third party.**
- You can't deduct any expenses you have reimbursed with a tax-free account, such as flexible spending or [health savings accounts](#).**