

¶ 59 Checklist for Medical Expenses

Generally, a medical expense deduction is allowed for expenses incurred in the diagnosis, cure, mitigation, treatment or prevention of disease, or for the purpose of affecting any structure or function of the body for the individual or for the individual's spouse or dependents. The deduction covers expenses that have not been reimbursed by medical insurance or other sources.

Despite the broad scope of medical expenses, not every expense incurred for medical care is deductible. Also, there is a 7.5-percent floor on the medical expense deduction. The chart, below, lists specific types of expenses and whether or not a deduction for the expense is permitted. The user can easily check whether an official determination has been made as to the deductibility of a particular type of expense.

Medical Expense	Deductible	Authority
Abortion . legal	Yes	Rev. Rul. 73-201, 1973-1 CB 140, as clarified by Rev. Rul. 73-603, 1973-2 CB 76, and Rev. Rul. 97-9, 1997-1 CB 77
Accident and health insurance . medical care portion separately stated and reasonable in amount . medical care portion not separately stated or, if separately stated, not reasonable in amount	Yes No Yes	Code Sec. 213(d)(1)(C) and (d)(6) and Reg. § 1.213-1(e)(4) Code Sec. 213(d)(6) and Reg. § 1.213-1(e)(4)
Acupuncture Adoption . medical costs of adopted child . medical costs of natural mother	Yes Yes No	Rev. Rul. 72-593, 1972-2 CB 180 Rev. Rul. 60-255, 1960-2 CB 105 <i>B.L. Kilpatrick</i> , 68 TC 469, Dec. 34,493
Air conditioner . allergy relief . cystic fibrosis relief . permanent improvement to property	Yes Yes No Yes	Rev. Rul. 55-261, 1955-1 CB 307 <i>R. Gerard</i> , 37 TC 826, Dec. 25,331 (Acq) <i>G.W. Wade</i> , 61-2 USTC ¶ 9709 Rev. Rul. 73-325, 1973-2 CB 75 Reg. § 1.213-1(e)(1)(ii)
Amulance hire Anticipated medical expenses	Yes No	<i>W.B. Andrews</i> , 37 TCM 744, Dec. 35,144(M), TC Memo. 1978-174
Attendant to accompany blind or deaf student	Yes	Rev. Rul. 64-173, 1964-1 CB (Part 1) 121; <i>R.A. Baer Est.</i> , 26 TCM 170, Dec. 28,352(M), TC Memo. 1967-34
Automobile (see Car) Baby sitting expenses to enable parent to see doctor	No	Rev. Rul. 78-266, 1978-2 CB 123
Birth control pills Blind persons . attendant to accompany student . braille books and magazines, excess cost of regular editions . seeing-eye dog . special education (see Schools, special) . special educational aids to mitigate condition	Yes Yes Yes Yes Yes Yes	Rev. Rul. 73-200, 1973-1 CB 140 Rev. Rul. 64-173, 1964-1 CB 121 Rev. Rul. 75-318, 1975-2 CB 88 Rev. Rul. 55-261, 1955-1 CB 307 Rev. Rul. 58-223, 1958-1 CB 156
Capital expenditures . home modifications for handicapped individual . permanent improvement to property . primary purpose medical care Car . depreciation on	Yes No Yes No	Rev. Rul. 87-106, 1987-2 CB 67 Reg. § 1.213-1(e)(1)(iii) Reg. § 1.213-1(e)(1)(iii) <i>M.S. Gordon</i> , 37 TC 986, CCH Dec. 25,364; <i>R.K. Weary</i> , CA-10, 75-1 USTC ¶ 9173, 510 F.2d 435, cert. denied, 423 U.S. 838

CHECKLISTS □ Checklist for Medical Expenses

Medical Expense	Deductible	Authority
. equipped to accommodate wheelchair passengers . insurance, medical coverage for persons other than taxpayer, spouse and children . special controls for a person with a disability Chauffeur, salary of	Yes No Yes No	Rev. Rul. 70-606, 1970-2 CB 66 Rev. Rul. 73-483, 1973-2 CB 75 <i>S.H. Weinzimer</i> , 17 TCM 712, Dec. 23,100(M), TC Memo. 1958-137 <i>W.E. Beck</i> , 47 TC 113, CCH Dec. 28,175
Chemical dependency treatment (see Alcoholism, treatment of, and Drug addiction, recovery from) Childbirth preparation classes . "coach" . mother	No Yes Yes Yes No	IRS Letter Ruling 8919009, 2-6-89, CCH IRS LETTER RULINGS REPORT IRS Letter Ruling 8919009, 2-6-89, CCH IRS LETTER RULINGS REPORT Rev. Rul. 63-91, 1963-1 CB 54 Rev. Rul. 55-261, 1955-1 CB 307 Rev. Rul. 62-210, 1962-2 CB 89 <i>M.C. Montgomery</i> , 51 TC 410, Dec. 29,270, aff'd on other issues, CA-6, 70-2 USTC ¶ 9466, 428 F.2d 243 Rev. Rul. 71-282, 1971-2 CB 166
Computer data bank, storage and retrieval of medical records Contact lenses . replacement insurance Contraceptives, prescription Cosmetic surgery . necessary to ameliorate a deformity arising from a congenital abnormality, personal injury, or disfiguring disease . unnecessary	Yes Yes Yes Yes Yes Yes	Rev. Rul. 71-213-1(e)(1)(iii) Rev. Rul. 74-429, 1974-2 CB 83 Rev. Rul. 73-200, 1973-1 CB 140 Code Sec. 213(d)(9); Senate Finance Committee Report to P.L. 101
Crime victims, compensated medical expenses of Crutches Dancing lessons Deaf persons . hearing aid . hearing-aid animal . lip reading expenses for the deaf . notetaker, deaf student	No Yes No Yes Yes Yes Yes	Code Sec. 213(d)(9); Senate Finance Committee Report to P.L. 101 Rev. Rul. 74-74, 1974-1 CB 18 Reg. § 1.213-1(e)(1)(iii) <i>R.C. France</i> , CA-6, 82-1 USTC ¶ 9225 Rev. Rul. 55-261, 1955-1 CB 307 Rev. Rul. 68-295, 1968-1 CB 92 Rev. Rul. 55-261, 1955-1 CB 307 <i>R.A. Baer Est.</i> , 26 TCM 170, Dec. 28,352(M), TC Memo. 1967-34
. special education (see Schools, special) . telephone, specially equipped, including repairs . television, closed-caption decoder . visual alert system	Yes Yes Yes Yes	Rev. Rul. 71-48, 1971-1 CB 99, as amplified by Rev. Rul. 73-53, 1973-1 CB 139 Rev. Rul. 80-340, 1980-2 CB 81 IRS Letter Ruling 8250040, 9-13-82, CCH LETTER RULINGS REPORTS Reg. § 1.213-1(e)(1)(ii) Reg. § 1.213-1(e)(1)(ii) IRS Letter Ruling 8021004, no date given, CCH IRS LETTER RULINGS REPORTS
Dental fees Dentures (artificial teeth) Deprogramming services	Yes Yes No	Reg. § 1.213-1(e)(1)(ii) Rev. Rul. 55-261, 1955-1 CB 307 IRS Letter Ruling 8137085, 6-17-81, CCH IRS LETTER RULINGS REPORTS Reg. § 1.213-1(e)(1)(i) Rev. Rul. 58-339, 1958-2 CB 106
Diagnostic fees Diaper service Diapers, disposable, used due to severe neurological disease Doctors' fees Domestic aid, type that would be rendered by nurse Drug addiction, recovery from Drugs, illegal/controlled substances, even when prescribed Drugs, prescription	Yes No Yes Yes Yes Yes No Yes	Reg. § 1.213-1(e)(1)(ii) Rev. Rul. 55-261, 1955-1 CB 307 IRS Letter Ruling 8137085, 6-17-81, CCH IRS LETTER RULINGS REPORTS Reg. § 1.213-1(e)(1)(i) Rev. Rul. 58-339, 1958-2 CB 106 Rev. Rul. 72-226, 1972-1 CB 96 Rev. Rul. 97-9, 1997-1 CB 77 Code Sec. 213(b)

Medical Expense	Deductible	Authority	Medical Expense	Deductible	Authority
Dust elimination system	No	F. S. <i>Delp</i> , 30 TC 1230, Dec. 23, 1957	Legal expenses . authorization of treatment for mental illness	Yes	Rev. Rul. 71-281, 1971-2 CB 165
Dyslexia, language training	Yes	Rev. Rul. 69-607, 1969-2 CB 40	. divorce upon medical advice	No	J. H. <i>Jacobs</i> , 62 TC 813, Dec. 32, 1973
Ear piercing	No	Rev. Rul. 82-111, 1982-1 CB 48	Lifetime medical care, prepaid; retirement home	Yes	Rev. Rul. 75-302, 1975-2 CB 86, as clarified by Rev. Rul. 93-72, 1993-2 CB 77,
Electrolysis	No	Code Sec. 213(d)(9); Senate Finance Committee Report to P.L. 101-508	Limbs, artificial	Yes	Rev. Rul. 75-303, 1975-2 CB 87
Elevator, alleviation of cardiac condition	Yes	J. E. <i>Berry</i> , DC Okla., 58-2 USTC ¶ 9870, 174 F.Supp 748,	Lodging . care not provided in hospital or equivalent outpatient facility	No	Reg. § 1.213-1(e)(1)(ii)
Eye examinations and glasses	Yes	Rev. Rul. 59-411, 1959-2 CB 100, as modified by Rev. Rul. 83-33, 1983-1 CB 70	. limited to \$50 per night	Yes	A. L. <i>Polyak</i> , 94 TC 337, CCH Dec. ¶ 46,443
Fallout shelter, prevention of disease	No	Reg. § 1.213-1(e)(1)(iii)	Long term care expenses	Yes	Code Sec. 213(d)(2)
Fertility enhancement	Yes	F. H. <i>Daniels</i> , 41 TC 324, Dec. 26, 1914	Marriage counseling	No	Code Sec. 213(d)(1)(C); Code Sec. 7702E
Fluoride device; on advice of dentist	Yes	IRS Publication No. 502, "Medical and Dental Expenses"	Maternity clothes	No	Rev. Rul. 75-319, 1975-2 CB 88
Funeral expenses	No	Rev. Rul. 64-267, 1964-2 CB 69	Maternity, prescribed for alleviation of arthritis	Yes	Rev. Rul. 55-261, 1955-1 CB 307
Furnace	No	K. P. <i>Carr</i> , 39 TCM 253, Dec. 36, 352(M), TC Memo. 1979-400	Nursing home, medical reasons	Yes	W. B. <i>Combs</i> , 42 TC 755, Dec. 26, 893 (Acq.)
Glasses	Yes	J. L. <i>Seymour</i> , 14 TC 1111, Dec. 17, 675	Nursing services (including board and social security tax if paid by taxpayer)	Yes	Rev. Rul. 57-489, 1957-2 CB 207
Gravestone	No	Reg. § 1.213-1(e)(1)(ii)	Obstetrical expenses	Yes	Reg. § 1.213-1(e)(1)(ii)
Guide animals (see Service animals)	No	C. W. <i>Libby Est.</i> , 14 TCM 699, Dec. 21, 110(M), TC Memo. 1955-180	Operations . illegal	No	Reg. § 1.213-1(e)(1)(ii)
Hair transplants, surgical	No	Code Sec. 213(d)(9); Senate Finance Committee Report to P.L. 101-508	. legal	Yes	Reg. § 1.213-1(e)(1)(ii)
Halfway house, adjustment to mental hospital	Yes	IRS Letter Ruling 7714016, no date given, CCH IRS LETTER RULINGS REPORTS	Optometrists	Yes	Reg. § 1.213-1(e)(1)(ii)
Handicapped persons (see, also, specific handicap or equipment)	No		Orthodontia	Yes	Reg. § 1.213-1(e)(1)(ii)
. home modification (see Capital expenses)			Orthopedic shoes, excess cost	Yes	IRS Letter Ruling 8221118, 2-26-82, CCH IRS LETTER RULINGS REPORTS
. special training or education (see Schools, special)			Osteopaths	Yes	Rev. Rul. 63-91, 1963-1 CB 54
Health club dues	No	Rev. Rul. 55-261, 1955-1 CB 307	Oxygen equipment, breathing difficulty	Yes	Rev. Rul. 55-261, 1955-1 CB 307
. not related to a particular medical condition			Patterning exercises, handicapped child	Yes	Rev. Rul. 70-170, 1970-1 CB 51
. prescribed by physician for medical condition	Yes	Rev. Rul. 55-261, 1955-1 CB 307	Plumbing, special fixtures for handicapped	Yes	Rev. Rul. 70-395, 1970-2 CB 65
Health Maintenance Organization (HMO)	Yes	IRS Publication No. 502, "Medical and Dental Expenses"	Prosthesis	Yes	Reg. § 1.213-1(e)(1)(iii)
Hearing aids (see Deaf persons)	Yes		Psychiatric care	Yes	Rev. Rul. 55-261, 1955-1 CB 307
Hospital care, in-patient	Yes	Reg. § 1.213-1(e)(1)(v)	Psychologists	Yes	Rev. Rul. 63-91, 1963-1 CB 54
Hospital services	No	Reg. § 1.213-1(e)(1)(ii)	Psychotherapists	Yes	Rev. Rul. 63-91, 1963-1 CB 54
Hygienic supplies	Yes	Reg. § 1.213-1(e)(2); O. G. <i>Russell</i> , 12 TCM 1276, Dec. 19, 973(M)	Reclining chair for cardiac patient	Yes	Rev. Rul. 58-155, 1958-1 CB 156
Indian medicine man	Yes	R. H. <i>Tso</i> , 40 TCM 1277, Dec. 37, 260(M), TC Memo. 1980-339	Reconstructive surgery, breast	Yes	Rev. Rul. 2003-37, 2003-1 CB 959
Insulin	Yes	Code Sec. 213(b)	Remedial reading for dyslexic child	Yes	Rev. Rul. 69-607, 1969-2 CB 40
Insurance . accident and health insurance (see Accident and health insurance)			Residence, loss on sale, move medically recommended	No	Rev. Rul. 68-319, 1968-1 CB 92
. long term care insurance (within limits)	Yes	Code Sec. 213(d)(1)(D); Code Sec. 7702B	Retirement home, cost of medical care	Yes	H. W. <i>Smith Est.</i> , 79 TC 313, Dec. 39, 273 (Acq.)
. Medicare A coverage	No	Rev. Rul. 79-175, 1979-1 CB 117	Sanitarium rest home, cost of medical, educational, or rehabilitative reasons	Yes	Reg. § 1.213-1(e)(1)(v)
. premiums for loss of income	No	Reg. § 1.213-1(e)(4)	Schools, special, relief of handicap	Yes	Rev. Rul. 58-533, 1958-2 CB 108;
. premiums for loss of life, limb or sight	Yes	Reg. § 1.213-1(e)(4)	Self-help, medical	No	Rev. Rul. 69-499, 1969-2 CB 39;
. premiums for medical care	Yes	Code Sec. 162(f)	Service animals . hearing-aid animal	Yes	Rev. Rul. 70-285, 1970-1 CB 52
. self-employed	Yes	Rev. Rul. 55-261, 1955-1 CB 307	. other	Yes	D. H. <i>Brown</i> , CA-8, 75-2 USTC ¶ 9718, 523 F2d 365, aff'd 52 TC 551, Dec. 32, 701, Rev. Rul. 78-190, 1978-1 CB 74
Iron lung	Yes	Reg. § 1.213-1(e)(1)(ii)	Scientology "audits" and "processing"	No	B. <i>Doody</i> , 32 TCM 547, Dec. 32, 006(M), TC Memo. 1973-126
Laboratory fees	Yes	Rev. Rul. 97-9, 1997-1 CB 77	Service animals . hearing-aid animal	Yes	Rev. Rul. 68-295, 1968-1 CB 92
Lactile, prescribed	Yes		. other	Yes	Senate Finance Committee Report to P.L. 100-647
Lamaze classes (see Childbirth preparation classes)	No		. seeing-eye dog	Yes	Rev. Rul. 55-261, 1955-1 CB 307
Laser eye surgery	Yes	Rev. Rul. 2003-57, 2003-1 CB 959	Sexual dysfunction, treatment for	Yes	Rev. Rul. 75-187, 1975-1 CB 92
Lead paint, removal	Yes	Rev. Rul. 79-66, 1979-1 CB 114	Smoking, program to stop	Yes	Rev. Rul. 99-28, 1999-1 CB 1269
			Spiritual guidance	No	M. <i>Miller</i> , 40 TCM 243, Dec. 36, 911(M), TC Memo. 1980-136

Medical Expense	Deductible	Authority
Sterilization operation, legal	Yes	Rev. Rul. 73-603, 1973-2 CB 76, clarifying Rev. Rul. 73-201, 1973-1 CB 140
Swimming pool, treatment of polio or arthritis	Yes	C.B. Mason, DC Hawaii, 57-2 USTC ¶ 10,012; Rev. Rul. 83-33, 1983-1 CB 70
Tattoos	No	Rev. Rul. 82-111, 1982-1 CB 48
Taxicab to doctor's office	Yes	Rev. Rul. 55-261, 1955-1 CB 307
Teeth, artificial	Yes	Reg. § 1.213-1(e)(1)(ii)
Teeth, whitening	No	Rev. Rul. 2003-57, I.R.B. 2003-22
Telephone, specially equipped for deaf persons	Yes	Rev. Rul. 71-48, 1971-1 CB 99, amplified by Rev. Rul. 73-53, 1973-1 CB 139
modified for person in an iron lung	Yes	Rev. Rul. 55-261, 1955-1 CB 307
Television, closed caption decoder	Yes	Rev. Rul. 80-340, 1980-2 CB 81
Toilet articles	No	O.G. Russell, 12 TCM 1276, Dec. 19, 1973(M)
Transplant, donor's costs of	Yes	Rev. Rul. 68-452, 1968-2 CB 111; Rev. Rul. 73-189, 1973-1 CB 139
Transportation, cost incurred essentially and primarily for medical care	Yes	Code Sec. 213(d)(1)(B) and Reg. § 1.213-1(e)(1)(iv)
Trips, general health improvement	No	Reg. § 1.213-1(e)(1)(iv) and
Vacations, health restorative	No	Rev. Rul. 57-130, 1957-1 CB 108
Vacuum cleaner, alleviation of dust allergy	No	Rev. Rul. 76-80, 1976-1 CB 71
Vasectomy, legal	Yes	Rev. Rul. 73-201, 1973-1 CB 140, clarified by Rev. Rul. 73-603, 1973-2 CB 76, and Rev. Rul. 97-9, 1997-1 CB 77
Visual alert system for hearing impaired	Yes	IRS Letter Ruling 8250040, 9-13-82, CCH IRS LETTER RULINGS REPORTS
Weight loss program for treatment of specific disease	Yes	Rev. Rul. 2002-19, 2002-1 CB 778
Weight loss programs to improve appearance, prescribed	No	Rev. Rul. 79-151, 1979-1 CB 116; IRS Publication 502, "Medical and Dental Expenses"
Wheelchair	Yes	Reg. § 1.213-1(e)(1)(iii)
Wig, alleviation of mental discomfort resulting from disease	Yes	Rev. Rul. 62-189, 1962-2 CB 88
X-rays	Yes	Reg. § 1.213-1(e)(1)(ii)

Return Flow Charts

COMPUTATION OF TAXABLE INCOME

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¶ 61 Individuals

The computation of an individual's taxable income involves several steps. Items that constitute income for tax purposes must be sifted from items that do not constitute income. Similarly, expenses that are deductible must be sifted from expenses that are not deductible. In addition, deductible expenses must be divided into expenses that are deductible from gross income and those that are deductible as itemized deductions.

The following outline summarizes the computation of taxable income by an individual and highlights those items that often enter into this computation.