



Itemized Deductions Medical Expenses

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Medical Expenses

Medical expenses are the costs of diagnosis, cure, mitigation, treatment, or prevention of disease, and the costs for treatments affecting any part or function of the body. Medical expenses include the costs of equipment, supplies, and diagnostic devices needed for these purposes. The expenses must be primarily to alleviate or prevent a physical or mental defect or illness.

Limit on Itemized Deductions

Qualified medical expenses are deductible as itemized deductions to the extent expenses exceed 7.5% of your adjusted gross income (AGI). The 7.5% AGI threshold applies for both regular tax and AMT purposes.

When Medical Expenses Are Deductible

Medical expenses are deductible in the year actually paid, regardless of when the services were provided. Expenses paid by check are considered paid on the date mailed or delivered. Expenses paid by phone or online are considered paid on the date the financial institution statement shows as the payment date.

Credit Card

Expenses paid by credit card are considered paid on the date charged to the credit card, not the date the balance on the credit card is paid.

Future Services

Payments for care to be provided substantially beyond the end of the year are not generally deductible as medical expenses, except for lifetime care advance payments and payments for long-term care insurance.

Whose Medical Expenses Are Deductible

Deductible expenses include those incurred by the taxpayer, spouse, or dependent.

Spouse

The taxpayer must have been married to the spouse either at the time the spouse received the medical services or at the time the taxpayer paid the medical expenses.

Dependent

Medical expenses paid for a dependent are deductible if the person was a dependent either at the time the services were provided or at the time the expenses were paid. For medical expense purposes, a dependent is any person for whom you can claim as a dependent, plus anyone who cannot be claimed as a dependent because of one of the following.

- The person for whom the medical expenses were paid was a dependent of another taxpayer,
- The person for whom the medical expenses were paid filed a joint return,
- The person for whom medical expenses were paid had gross income of \$4,700 or more during the year, or
- The dependency claim for a child of divorced or separated parents was assigned to the non-paying parent.

Example: Alex is 27 and still lives at home with his parents. His parents could have claimed him as a dependent in 2023 had it not been for the fact that he earned \$5,000 at a part-time job. However, the gross income test does not apply for Alex to qualify as a dependent for purposes of the medical expense deduction.