

## Sample article for organizations to use to reach customers

*Customize and post the following article on your websites and/or use in other communication vehicles, to assist your customers in satisfying their tax filing liabilities.*

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### **Deducting Medical Expenses: a Little Different for People with Disabilities**

People with disabilities often must follow different rules regarding the deduction of medical expenses. Below are some of the types of medical expenses that can be deducted for persons with disabilities. Although this information is not all inclusive, it does include references that may assist with your specific circumstances.

#### **Definition of 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. These expenses include payments for legal medical services rendered by physicians, surgeons, dentists and other medical practitioners. They also include the costs of equipment, supplies and diagnostic devices.

Medical care expenses must be primarily to alleviate or prevent a physical or mental defect or illness. They do not include expenses that are merely beneficial to general health, such as vitamins or a vacation.

Medical expenses 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. Medical expenses also include amounts paid for qualified long-term care services and limited amounts paid for any qualified long-term care insurance contract.

#### **Medical Expense Deduction**

On Form 1040, medical and dental expenses are deducted on Schedule A, Itemized Deductions. You can deduct only the amount of your medical and dental expenses that is more than 7.5 percent of your adjusted gross income shown on Form 1040, line 38.

The following list highlights some of the medical expenses you can include in figuring your medical expense deduction:

- Artificial limbs, contact lenses, eyeglasses and hearing aids;
- The part of the cost of Braille books and magazines that is more than the price of regular printed editions;
- Cost and repair of special telephone equipment for people who are hearing-impaired;
- Cost and maintenance of a wheelchair or a three-wheel motor vehicle commercially known as an *autoette*;
- Cost and care of a guide dog or other animal aiding a person with a physical disability;
- Cost for a school that furnishes special education if a principal reason for using the school is its resources for relieving a mental or physical disability. This includes the cost of teaching Braille and lip reading, and the cost of remedial language training to correct a condition caused by a birth defect;
- Premiums for qualified long-term care insurance, up to certain amounts; and
- Improvements to a home that does not increase the home's value, if the main purpose is medical care. An example is constructing an entrance or exit ramps.

## Impairment-Related Work Expenses

Impairment-related expenses are those ordinary and necessary business expenses that are:

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

For these rules to apply, you must first meet the definition of disability. You have a disability if you have:

- a physical or mental disability (for example, you are blind or hearing-impaired) 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.

If you have a disability, you can take a business deduction for expenses that are necessary for you to be able to work. If you take a business deduction for these impairment-related work expenses, they are not subject to the 7.5 percent limit that applies to medical expenses.

## Where to Report Impairment-Related Work Expenses

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, you should:

1. Complete Form 2106, Employee Business Expenses, or Form 2106-EZ, Unreimbursed Employee Business Expenses.
2. Enter on Schedule A (Form 1040), line 28, that part of the amount on Form 2106, line 10, or Form 2106-EZ, line 6, that is related to your impairment.
3. Enter the amount that is unrelated to your impairment on Schedule A (Form 1040), line 21.

Your impairment-related work expenses are not subject to the 2 percent of adjusted gross income limit that applies to other employee business expenses.

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**NOTE TO EDITOR:** *Below are links to [www.irs.gov](http://www.irs.gov) for related topics on Medical and Dental Expenses for PWD.*

- [Publication 502 – Medical and Dental Expenses Including the Health Coverage Tax Credit](#)
- [Publication 907 – Tax highlights for Persons with Disabilities](#)