

Seven Important Tax Facts about Medical and Dental Expenses

If you paid for medical or dental expenses in 2015, you may be able to get a tax deduction for costs not covered by insurance. The IRS wants you to know these facts about claiming the medical and dental expense deduction.

- 1. You must itemize.** You can only claim medical and dental expenses for costs not covered by insurance if you itemize deductions on your tax return. You cannot claim medical and dental expenses if you take the standard deduction.
- 2. Deduction is limited.** For individuals who are 65 years or older (and only for 2013 – 2016), you can deduct medical and dental expenses that are more than 7.5% of your adjusted gross income. If you're under age 65, the total of your medical expenses must exceed 10% of your adjusted gross income to yield a tax deduction.
- 3. Expenses paid in 2015.** You can include medical and dental costs that you paid in 2015, even if you received the services in a previous year. Keep good records to prove the amount you paid and in what year you paid the expenses.
- 4. Qualifying expenses.** You may include most medical or dental costs that you paid for yourself, your spouse and your dependents. Some exceptions and special rules apply.
- 5. Costs to include.** You can normally claim the costs of diagnosing, treating, easing or preventing disease. The costs of prescription drugs and insulin qualify. The costs of medical, dental and some long-term care insurance also qualify.
- 6. Travel is included.** You may be able to claim the cost of travel to obtain medical care. That includes the cost of public transportation or an ambulance as well as tolls and parking fees. If you use your car for medical travel, you can deduct the actual costs, including gas and oil or, instead of deducting the actual costs, you may deduct the standard mileage rate for medical travel and that is 23 cents per mile for 2015. Good records of travel expenses are advised.
- 7. No double benefit.** Funds from Health Savings Accounts or Flexible Spending Arrangements used to pay for medical or dental costs are usually tax-free. Therefore, you cannot deduct expenses paid with funds from those plans.