

# Maximize Your Medical And Dental Tax Deductions

(NAPSA)—While paying for medical and dental care has become challenging for an increasing number of Americans, even for those with good health insurance coverage, there could be a silver lining: a tax advantage.

Family health care premiums have increased 113 percent since 2001, according to the Kaiser Family Foundation's 2011 Employer Health Benefits Survey. The average worker contributed more than \$4,100 toward employer-provided family health coverage in 2011, an amount that doesn't include out-of-pocket costs such as deductibles, co-payments and co-insurance. If you've spent a significant amount of money on health care, financial relief may be available in an unlikely place—as an itemized deduction on your federal income tax return.

"You can deduct unreimbursed medical and dental expenses that exceed 7.5 percent of your adjusted gross income," explains TaxACT spokesperson Jessi Dolmage. "That includes expenses paid for you, your spouse and dependents in 2012. Even if the service was provided in 2011, you can count the expense if it was paid for in 2012."

Care includes the diagnosis, cure, mitigation, treatment or prevention of disease and treatments affecting any structure or function of the body. Qualified expenses paid for you, your spouse and dependents may include:

- Premiums paid on health insurance for medical care and long-term care insurance policies covering qualified long-term care services.

- Fees to doctors, dentists, surgeons, chiropractors, psychiatrists, psychologists and nontraditional medical practitioners.

- Inpatient hospital care or nursing home services.

- Drugs that require a prescription and insulin.

- Smoking-cessation programs and prescription drugs to alleviate nicotine withdrawal.

- Weight-loss program for specific disease(s), including obesity, diagnosed by a physician but not ordinarily, payments for diet food items, or the payment of health club dues.

- Acupuncture treatments or inpatient treatment at a center for alcohol or drug addiction.

- Admission and transportation to a medical conference about a



**Your family's health care costs can help reduce your taxes.**

chronic disease (costs must be primarily for and essential to medical care).

- Lactation supplies.

- False teeth, reading or prescription eyeglasses or contact lenses, hearing aids, crutches, wheelchairs, and guide dogs for the blind or deaf.

- Transportation costs primarily for and essential to medical care such as fare for a taxi, bus, train or ambulance. If you're using your personal car, you can deduct either your out-of-pocket expenses for gas and oil or the standard medical mileage rate of 23 cents per mile.

When preparing your 2012 income tax return (due in April 2013), you should figure your deduction on Schedule A. "Solutions like TaxACT make claiming medical and dental deductions on your tax return easy," says Dolmage. "The program helps you determine which health care expenses qualify and then calculates your deduction and fills out Schedule A for you."

Between now and tax time, keep documentation of expenses organized. "Save receipts, keep detailed notes and save all information in one place," Dolmage adds. "That'll save time when you do your taxes and you'll have all the information you'll need to substantiate your expenses in the unlikely event of an audit."

Starting in 2013, the adjusted gross income threshold for deductible medical and dental expenses increases to 10 percent.

Learn more about deductible medical and dental expenses in IRS Publication 502 at [www.irs.gov](http://www.irs.gov).

TaxACT Free Federal Edition provides step-by-step guidance through deductible health care expenses and other complex tax situations. You can do your federal tax return free and get unlimited free e-mail help at [www.taxact.com](http://www.taxact.com).