

July 2003

“Additional Medical Equipment and Supplies May Be Deductible”

The Internal Revenue Service has recently ruled that certain medical supplies and equipment may be deductible without a physician's prescription. The author of this Revenue Ruling was contacted in order to clarify the position of the Service.

In Revenue Ruling 2003-58 the Service ruled that:

1. Amounts paid by an individual for medicines or drugs that may be purchased without a prescription of a physician are not deductible under code section 213 (b).

According to the ruling this means that the cost of aspirin is not deductible even though recommended by a physician.

2. The prohibition under section 213(b) does not apply to medical equipment and supplies. Therefore, amounts paid by an individual for non-physician-prescribed equipment, supplies, or diagnostic devices may be deductible under code section 213 (subject to other limitations of that section).

The service indicated that the costs of diagnostic devices such as blood sugar test kits used to monitor the blood sugar level in diabetics may be deductible. Crutches and bandages used to help someone who injured a leg may be deductible as well.

The author of this Revenue Ruling indicated that the costs of adult diapers are also deductible. This could be of significance to some of our clients as the annual costs of these diapers can be several hundred dollars.

When we think of all the non-prescription supplies and equipment our clients use for medical purpose it is possible that when taken together these costs could add up to a significant deduction; a deduction that would help to offset the high cost of healthcare itself. If you would like to know more about the new changes in the medical deductions, please feel free to contact our office.

Very Truly Yours,

Krebs & Co., CPA's, Inc.
dba **Krebs Advisory Group**