

The medical deduction can only be claimed to the extent unreimbursed costs exceed 7.5% of adjusted gross income (AGI). However, qualifying costs include many items other than hospital and doctor bills, and often amount to much larger figures than expected. Here are some items you should take into account in determining your medical costs:

**1. Health insurance premiums.** The cost of health insurance is a medical expense. This item, by itself, can total thousands of dollars a year. Even if you are receiving health coverage by your employer, you may be contributing a portion of the premiums from each paycheck. Medical expenses include premiums paid on long-term care insurance, subject to specific dollar limits (depending on age).

**2. Transportation.** The cost of getting to and from medical treatment is a medical expense. This includes taxi fares, public transportation, or the cost of using your own car. Car costs can be calculated at 19 cents a mile for miles driven in 2008 (20 cents a mile for 2007), plus tolls and parking, or by using your actual costs such as for gas and oil (but not general costs such as insurance, depreciation, or maintenance).

**3. Therapists, nurses, etc.** The services of individuals other than doctors can qualify as long as they relate to a medical condition and aren't for general health reasons. For example, costs of the services of a physical therapist for several months after knee surgery would qualify. On the other hand, a general physical fitness counselor to tone you up wouldn't. Amounts paid for certain long-term care services that are required by a chronically ill individual also qualify as deductible medical expenses.

**4. Eyeglasses, hearing aids, dental work, psychotherapy, prescription drugs.** Deductible medical expenses include the cost of glasses, hearing aids, dental work, psychiatric counseling, and other ongoing expenses in connection with medical needs. Purely cosmetic expenses (e.g., a "nose job") don't qualify, however. Prescription drugs (including insulin) qualify, but items such as aspirin and vitamins don't. Neither do amounts paid for operations or treatments that are illegal under federal law (such as marijuana), even if state or local law permits the procedure or drug.

**5. Smoking-cessation programs.** Amounts paid for participation in a smoking-cessation program and for prescribed drugs designed to alleviate nicotine withdrawal are deductible expenses for medical care. However, non-prescription nicotine gum and certain nicotine patches aren't deductible.

**6. Weight-loss programs.** A weight-loss program is a deductible medical expense if undertaken as treatment for a disease diagnosed by a physician. The disease can be obesity itself or another disease, such as hypertension or heart disease, for which the doctor directs you to lose weight. It's a good idea to get a written diagnosis before starting the program. Deductible expenses include fees paid to join the program and to attend periodic meetings. However, the cost of low-calorie food that you eat in place of your regular diet isn't deductible.

**7. Dependents and others.** If you cover the medical costs of dependents (your children, for example), these can be deducted. Additionally, if you are covering the costs of an individual who would qualify as your dependent except that he has too much gross income to qualify (or files jointly), for example, an elderly parent or grandparent, you may be able to deduct these costs as well. In most cases, the medical costs of a child of divorced parents can be claimed by the parent who pays them, regardless of who gets the dependency exemption.