



## TAX DEDUCTIONS FOR GLUTEN-FREE FOODS AS MEDICAL EXPENSE FOR CELIACS

**If you itemize your deductions you may take as a medical expense, the extra costs you sustain due to your dietary limitations, as follows:**

1. You may deduct the cost of Gluten-Free (GF) food that is in **EXCESS** of the cost of the gluten containing food that you are replacing. For example, if a loaf of gluten-free bread costs \$5.00 and a comparable loaf of gluten containing bread costs \$2.50, you may include in your medical expenses the excess cost of \$2.50.
2. The full cost of special items needed for a GF diet may be deducted. An example is the cost of XANTHAN GUM (methyl cellulose) used in GF home baked items, which is completely different than anything used in an ordinary recipe.
3. If you make a **special** trip to a specialty store to purchase GF foods, the actual cost of your transportation to and from the store is deductible. If you are using your vehicle for the trip during the year 2008, you may deduct 19 cents per mile for such transportation from January 1, 2008 to June 30, 2008; use a rate of 27cents per mile from July 1 to December 31, 2008. You may include tolls and parking fees.
4. The full cost of postage or other delivery expenses for GF purchases made by mail order are deductible.

If you are audited you may need a letter from your doctor indicating that you have Celiac Disease and must adhere to a Gluten-free diet for life. You will also need substantiation of the expenses in the form of receipts, cash register tapes or cancelled checks for your GF purchases and a schedule showing how you computed your deductions for the GF foods.

The total amount of your deduction for GF foods should be added to your other medical expenses that are reported on Schedule A of your form 1040. Do not include your doctor's letter, your receipts or your schedule showing how you computed your deduction. Save these documents which should be submitted only in the event you are audited by the IRS or your state's taxing authority.

If you are audited and the auditor tells you that these items are not deductible, refer the auditor to the following:

IRS Publication 502

Revenue Ruling 55-261  
Cohen 38 TC 387

Revenue Ruling 76-80  
67 TC 481  
Fleming TC MEMO 1980 583  
Van Kalb TC MEMO 1978 366

IRS Publication 502 provides that "...you may include expenses for admission and transportation to a medical conference relating the chronic disease of yourself, your spouse, or your dependent (if the costs are primarily for and essential to the medical care)." This has been ruled to include the registration of yourself, your spouse and your celiac dependent. However, you may not deduct the costs for meals and lodging while attending the medical conference.

If an auditor questions the deduction, refer the auditor to IRS ruling 2000-24 and IRS Publication 502.

The worksheet will assist you in keeping track of your GF purchases.