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TAX

The Tax Blotter – Sept. 22, 2022

The Tax Blotter is a round-up of recent taxation news.

Ken Berry • Sep. 21, 2022



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It's difficult to clear the tax law "floor" for medical expenses, so make sure you identify every expense you're entitled to claim.

Don't forget state taxes. Itemizers can only deduct medical expenses above 7.5% of adjusted gross income. If you're near the threshold for 2022, move up medical or dental visits scheduled for 2023. Note that most states follow this federal rule for medical expenses, but some don't. For example in New Jersey you can deduct the excess above 2% of AGI, while 100% of qualified expenses are deductible in Arizona. Find out the law for your state.

Tax issues on abortions. Now that the Supreme Court has overturned the ruling in *Roe v. Wade*, some states have protected a woman's right to abortion, while others have banned or restricted abortion rights. What's the impact on medical expense deductions? In states where abortion is legal, you can deduct qualified medical expenses relating to abortion, including the cost of the procedure, travel and a limited write-off for lodging. No deduction is allowed for illegal abortions.

Up in smoke. Heading into this year, 36 states and the District of Columbia had enacted laws legalizing marijuana for recreational or medical purposes or both. But can you deduct the cost of obtaining marijuana as a medical expense on your federal return if you use it based on a physician's recommendation? The IRS says it isn't currently allowed. However, recent legislative proposals would provide deduction opportunities. We will keep a watch out for any significant developments.

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