

Claiming Gluten Free Foods as a Medical Expense on Your Tax Return

If you itemize your deductions, you may be able to take an extra deduction for your gluten free food. Please be aware that this does not constitute formal tax advice and you should consult with your accountant to make sure that the following information fits in with your overall financial strategies.

What is covered? Gluten free food qualifies as a medical expense, but you can only claim the “extra cost” that you pay over the cost of similar mainstream foods. For example, if a loaf of gluten free bread costs \$5.00 and a loaf of whole wheat bread costs \$1.00, then \$4.00 is tax deductible. Also deductible is the mileage expense for a trip to a specialty store to obtain this gluten free food, as are shipping costs for mail-order gluten free foods.

How much is covered? The total of medical expenses that are deductible for one year must exceed 7.5% of your Adjusted Gross Income (that is the amount on the last line on the first page of your Form 1040). For example, if your Adjusted Gross Income is \$100,000, then you may only deduct medical expenses that you incur **IN EXCESS** of \$7,500. That might be hard to do with only gluten free food, but if you have other qualifying medical expenses for that year (these are listed in IRS Publication 502), their total may allow you to take a meaningful deduction.

How should I prepare for tax time? There are a few things you can do to prepare documentation for this deduction:

- Obtain a letter from your doctor stating that you have celiac disease and the only treatment is lifelong adherence to the gluten free diet.
- Save receipts, cash register tapes, credit card statements and cancelled checks, and prepare a list of “normal” food prices for comparison. These do not need to be included with the return, but you should keep them with your records.
- The entry under Medical Deductions on your tax return should read “Extra cost of a gluten free diet.” Here you just need to enter the total, you do not need to itemize all of the foods.
- The IRS may direct you to its Publication 17 which denies coverage of gluten free foods as a medical expense. The IRS has ruled otherwise on other occasions, so it would be advantageous for you to keep the below citations handy in case your deductions are challenged:

- RevenueRuling 55-261
- Cohen 38TC 387
- RevenueRuling 76-80, 67 TC 481
- Flemming TC MEMO 1980 583
- Van Kalb TC MEMO 1878 366

