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Balance sheet

Ohio Medical Expenses Deduction

By Thomas Tomlins

A common misconception among Ohio taxpayers is that they do not believe they will have enough in long-term care premiums and medical expenses to obtain a tax deduction benefit. Therefore, they do not include this information when gathering their information needed to complete their income tax returns. Although this may be true for federal income tax purposes, the treatment of long-term care premiums and medical expenses for the State of Ohio purposes are different.

Long-term care premiums are one of the medical expenses that you can deduct on both the Federal and State of Ohio's Schedule A. There are some distinct differences on how much you can deduct of your long-term care premiums on both the federal and state levels.

On the federal level, long-term care premiums have many limitations in place. These deductions are first capped on how much in long-term care premiums you can deduct based on your age (see below for 2017 levels).



If person was at the end of 2017, age...	Then the most you can deduct is...
40 or under	\$410
41-50	\$770
51-60	\$1,530
61-70	\$4,090
71 or older	\$5,110

After the premiums are capped, then the premiums plus your medical expenses are subject to the 10% of Adjusted Gross Income limitation. After all of this, even if you have some premiums and medical expenses that can still be deducted, you will only be able to deduct them if you itemize your deductions. Due to all of these restrictions, long-term care premiums are severely limited on their overall impact on the federal income tax return.

As for the State of Ohio, long-term care premiums are deductible in their entirety. Generally, these premiums are added to your federal Schedule A, line 4 medical itemized deductions, even if you do not itemize your deductions for federal income tax purposes. The medical deduction can produce significant tax savings for Ohio taxpayers.

In summary, including information about your long-term care premiums when gathering your medical expenses in order to complete your income tax returns may be beneficial to you when you consider the effect it has on your Ohio income tax return.

If you have any questions on the deductibility of long-term care premiums and other medical expenses for federal or State of Ohio purposes, please contact our office.

Items presented are not intended to be technically complete. Additional information may be required to make an informed decision.