



## Medical expenses can be tax deductions that **lower your tax bill**

Although the processes of calculating tax deductions are by no means precise, you may be able to deduct a portion of your medical expenses, including the costs associated with your LAP-BAND® System surgery.



The deduction is designed so that your taxable income can be reduced to the extent medical expenses exceed a percentage of your adjusted gross income.



Many nonreimbursed medical expenses, including LAP-BAND® System surgery, medications, and other medical services exceeding 7.5% of a taxpayer's adjusted gross income, are tax deductible. See the chart on the reverse side for some examples of potential tax savings.

Be sure each medical expense meets the requirements of a tax deduction. Common medical expenses that are not deductible include most cosmetic surgery, nutritional supplements, nonprescription drugs, and teeth-whitening expenses.



The rules for tax deductions for medical expenses are established by the Internal Revenue Service and explained in Publication 502. For additional information, visit [www.irs.gov](http://www.irs.gov) or call 1-800-829-1040 to reach the Internal Revenue Service. Always speak with your tax advisor regarding tax issues.

### To maximize the Medical Expenses Tax Deduction, be sure to include the following expenses:

- All medical expenses, including most dental expenses, for everyone listed on your tax return (your spouse and dependents)
- Costs of weight loss programs (but not the cost of low-calorie food). To justify the deduction, be sure your doctor recommends participation in a weight loss program to reduce health risks
- Insurance payments paid with taxed income
- Uninsured medical expenses including eyeglasses, contact lenses, and hearing aids
- Prescription drug costs not covered by insurance, and co-payments for medications covered by insurance
- Travel expenses to and from medical treatments, calculated by using standard mileage rates, set each year by the IRS (14 cents per mile in 2004, 15 cents per mile in 2005, and 20 cents per mile in 2007)<sup>1</sup>
- Medically necessary costs prescribed by physicians
- The cost for corrective eye surgery

1. Mileage deduction is based on information acquired at [www.irs.gov](http://www.irs.gov) in November 2007. The amount is subject to change each year, so it is recommended to confirm mileage allowance.