

WEIGHT REDUCTION DEDUCTIONS

Now, for tax purposes, obesity is a disease in its own right. More than one-third of U.S. adults between the ages of 20 and 74 are overweight, defined as having “a body mass index (BMI) or the ratio of weight to height, of 25 to 29.9.” An estimated 27% of the same group is obese, meaning they have a BMI of 30 or greater. The percentage of U.S. adults who are obese has nearly doubled since 1980.

THE SITUATION

Taxpayer A has been diagnosed by a physician as obese, but he does not have any other ailments. Taxpayer B is not obese, but he suffers from hypertension.

- Both taxpayers are directed by their physicians to lose weight
- They participate in weight-loss programs for which they pay initiation fees, as well as fees to attend periodic meetings
- They also purchase reduced-calorie diet foods as part of the weight loss program
- Their expenses are not reimbursed by insurance.

THE QUESTION

Are expenses for participation in a weight-loss program, and for purchase of diet food items, deductible as medical expenses?

THE LAW

A deduction for medical expenses is allowed:

- for the prevention or alleviation of a physical or mental defect or illness
- for amounts that are not reimbursed by insurance, and

- to the extent medical expenses exceed 7.5 percent of adjusted gross income

An expense incurred merely to improve one’s general health, appearance and sense of well-being is not deductible.

Medical care may include the cost of special food if:

- it alleviates or treats an illness
- it is not part of normal nutritional needs, and
- its need is substantiated by a physician.

// Do you need another reason to lose weight? For the estimated 40 million Americans who do, thanks to the recent IRS ruling, the cost of their diet programs just may be deductible as a medical expense deduction. //

— Jackie Perlman,
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THE RULING

In Revenue Ruling 2002-19, the IRS held that in the case of both individuals A and B, the primary purpose of participation in the weight-loss programs is to treat a disease.

The IRS referred to National Institutes of Health and the Food and Drug Administration guidelines in acknowledging obesity as a disease. Therefore, in the case of Taxpayer A, the fees for joining and attending the weight-loss program are deductible medical expenses. Although B is not obese, his weight loss was prescribed as a medical treatment to treat the hypertension. Thus, his fees for the weight loss program are also deductible.

What about the food?

The reduced calorie foods are a part of the weight loss program, so it seems they should be deductible as well. But remember, to be deductible, the special foods cannot be substitutes for foods the taxpayers normally consume to satisfy their nutritional requirements. Because the diet foods replace the foods normally eaten by program participants, their cost is not deductible.

Health club fees. Recently, IRS issued an explanation regarding the deductibility of a health club membership. IRS has stated that in some situations the membership fee may be deductible. The deduction will be based on several factors:

- Local proximity to the health club.
- Activities available at the club.
- Other services provided.
- The ability to obtain exercise elsewhere without joining the club.

SUMMARY

- Expenses paid to participate in a weight-loss program that is prescribed by a physician as treatment for a specific disease (including obesity) are deductible medical expenses under Section 213 of the Internal Revenue Code.

- Expenses for purchasing reduced-calorie diet foods are not deductible as medical expenses even if they are part of the weight-loss program.
- The deduction hinges on a doctor's diagnosis. A deduction is possible as long as weight-loss is prescribed to treat health problems. Taxpayers who want to claim the deduction should ask for a written note from their doctors specifying that they must lose weight either because they are obese or because they have an illness that is exacerbated by excess weight.