



TAX DEDUCTION GUIDE FOR THOSE WITH CELIAC DISEASE

If you or one of your dependents has celiac disease and you itemize your deductions, the extra costs due to gluten-free dietary restrictions may be taken as a medical expense.

Gluten-Free Food and Travel expense

1. You may deduct the cost of Gluten-Free (GF) food that is in **EXCESS** of the cost of the gluten containing food that you are replacing. For example, if a loaf of gluten-free bread costs \$5.00 and a comparable loaf of gluten containing bread costs \$2.50, you may include in your medical expenses the excess cost of \$2.50.
2. The full cost of special items needed for a GF diet may be deducted. An example is the cost of XANTHAN GUM (methyl cellulose) used in GF home baked items, which is completely different than anything used in a standard recipe.
3. If you make a **special** trip to a specialty store to purchase GF foods, the actual cost of your transportation to and from the store is deductible. If you used your vehicle for the trip during the year 2010, you may deduct 16.5 cents per mile for 2010. If you use your vehicle for this purpose during 2011, you may deduct 19 cents per mile. You may include tolls and parking fees.
4. The full cost of postage or other delivery expenses for GF foods made by mail order are deductible.

If you are audited you may need a letter from your doctor indicating that you have Celiac Disease and must adhere to a Gluten-free diet for life. You will also need substantiation of the expenses in the form of receipts, cash register tapes or cancelled checks for your GF purchases and a schedule showing how you computed your deductions for the GF foods.

The total amount of your deduction for GF foods should be added to your other medical expenses that are reported on Schedule A of your form 1040. Do not include your doctor's letter, your receipts or your schedule showing how you computed your deduction. Save these documents which should be submitted only in the event you are audited by the IRS or your state's taxing authority.

Please consult your tax preparer when calculating your deductions, and refer them to the publication below. If you are audited and the auditor tells you that these items are not deductible, refer the auditor to the following:

IRS Publication 502

Revenue Ruling 55-261
Cohen 38 TC 387

Revenue Ruling 76-80
67 TC 481
Fleming TC MEMO 1980 583
Van Kalb TC MEMO 1978 366

Medical Education expense

IRS Publication 502 provides that "...you may include expenses for admission and transportation to a medical conference relating the chronic disease of yourself, your spouse, or your dependent (if the costs are primarily for and essential to the medical care)." This has been ruled to include the registration of yourself, your spouse and your celiac dependent. However, you may not deduct the costs for meals and lodging while attending the medical conference.

For the final determination for what is tax deductible, refer to IRS ruling 2000-24 and IRS Publication 502.

The worksheet will assist you in keeping track of your GF foods, travel or medical education expenses.