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THE TAX LAWYER

May. 13 2011 – 8:55 am

Should Abortion Be Tax Deductible?

If you know anything about the tax treatment of medical expenses, you know the medical expenses of abortion are tax deductible. But there's a movement to change that. On May 4, 2011, the House (voting 251 to 175) approved H.R. 3, the "[No Taxpayer Funding for Abortion Act](#)." See [House Bill Blocks Government Funds for Abortion](#).

As a carve-out for the hugely broad medical expense tax deduction, the bill would outlaw most abortion-related expenses from deductible medical expenses. It would also include in gross income amounts used for abortion distributed from Archer Medical Savings Accounts ([MSAs](#)), Health Savings Accounts ([HSAs](#)), and Health Flexible Spending Arrangements ([FSAs](#)).

Tax deductible [medical expenses](#) are very broad. To see how broad, read [Halby v. Commissioner](#), where a 78-year-old lawyer claimed medical deductions for therapeutic "treatments" from prostitutes. He lost but is [appealing](#). Few taxpayers have that much chutzpah.

Still, taxpayers have successfully written off everything from swimming pools to patio awnings to clarinet lessons (needed for a dental problem) as medical expenses. For more surprising medical write offs, click [here](#). Against this body of authority, the abortion exclusion seems quite odd.

The deduction is allowed for out-of-pocket spending on the medical care of a taxpayer, spouse or a dependent. Medical care includes diagnosis, cure, mitigation, treatment or prevention of a disease or disability.

Dental, vision and psychiatric conditions all qualify. See [Tax Breaks For Alcoholics, But Not Weight Watchers](#).

Despite their breadth, medical expense deductions are actually very limited. They are only a “miscellaneous itemized deduction” to the extent they exceed 7.5% of adjusted gross income. So if your adjusted gross income is \$100,000, the first \$7,500 of medical expenses is on you. In 2013, this threshold will go up to a whopping 10%. Still, with medical expenses rising, 10.5 million taxpayers deducted an estimated \$76 billion in medical expenses in 2007, up from 8.6 million who deducted \$56 billion in 2004.

The House-passed bill would exclude abortion from medical expenses, but this no-deduction rule would not apply to abortions if: (1) the pregnancy is the result of rape or incest; or (2) the woman suffers from a physical disorder, injury, or illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would place her in danger of death unless an abortion is performed, as certified by a physician.

Will it pass? It's highly unlikely. Senate Democrats are not expected to even bring it to the floor. Besides, the Administration indicates President Obama would veto H.R. 3 even if it were passed by Congress.

For more, see:

[House passes restrictive anti-abortion package](#)

[In Depth: Seven Surprising Medical Expense Deductions](#)

[Text of H.R. 3, the “No Taxpayer Funding for Abortion Act”](#)

[Track the bill's progress](#)

[IRS Publication 502 Medical and Dental Expenses](#)

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