Are premiums paid for a qualified long-term care insurance contract deductible as medical expenses?

Amounts paid for any qualified long-term care insurance contract or for qualified long-term care services generally are included in the definition of medical care and, thus, are eligible for income tax deduction, subject to certain limitations.[[1]](#footnote-1) Amounts paid for the medical care of a taxpayer, the taxpayer’s spouse, or the taxpayer’s dependents are deductible subject to the 10 percent adjusted gross income floor. The 10 percent floor is effective for tax years beginning after 2012, but the 7.5 percent floor remains effective for senior citizens aged 65 and older (and their spouses) through 2016.[[2]](#footnote-2)

The deduction for eligible long-term care premiums that are paid during any taxable year for a qualified long-term care insurance contract as defined in IRC Section 7702B(b) is subject to an additional dollar amount limit that increases with the age of the insured individual. In 2015, for persons age forty or less, the projected limit is $380. For ages forty-one through fifty, the limit is $715. For ages fifty-one through sixty, the limit is $1,430. For ages sixty-one through seventy, the limit is $3,800. For those over age seventy, the limit is $4,750.[[3]](#footnote-3) The age is the individual’s attained age before the close of the taxable year. The limits are indexed annually.[[4]](#footnote-4)

For tax years beginning after 2009, an annuity contract, life insurance policy, or long-term care insurance policy, may be exchanged for another qualified long-term care insurance contract without taxation.[[5]](#footnote-5)

An amount paid for qualified long-term care services as defined in IRC Section 7702B(c) will not be treated as paid for medical care if a service is provided by an individual’s spouse or a relative unless the service is provided by a licensed professional. A relative generally is any individual who can be considered a dependent under the IRC.[[6]](#footnote-6)

In addition, a service may not be provided by a corporation or partnership that is related to an individual within the meaning of IRC Sections 267(b) or 707(b).[[7]](#footnote-7)

1. IRC Sec. 213(d)(1)(D). [↑](#footnote-ref-1)
2. IRC Sec. 213(a). [↑](#footnote-ref-2)
3. Rev. Proc. 2009-50, 2009-45 IRB 617, as modified by Rev Proc. 2010-24, 2010-25 IRB 764. Rev Proc. 2013-35, 2013-47 IRB 537. [↑](#footnote-ref-3)
4. IRC Sec. 213(d)(10); 2013-35. [↑](#footnote-ref-4)
5. IRC Sec. 1035(a)(3) & (a)(4). [↑](#footnote-ref-5)
6. IRC Secs. 152(a)(1) through (8). [↑](#footnote-ref-6)
7. IRC Sec. 213(d)(11). [↑](#footnote-ref-7)