

Tax Tip

Week of November 29, 2010

Combining Medical Expenses

There are two basic tax planning strategies with medical expenses. Firstly, spouses are allowed to combine their medical expenses for purposes of the medical tax credit. This is important since medical expenses must be reduced by 3% of income. Once the medical expenses have been combined, the second strategy is to have the spouse with least income should make the claim. This will reduce the impact of the 3% reduction in medical expenses.