

## Capital Expense Worksheet

According to IRS Publication 502, medical expenses can include amounts paid for special equipment installed in a home or improvements to the home if their main purpose is medical care for you, your spouse or another dependent. The cost of permanent improvements that increase the value of your property may be partly included as a medical expense. The amount of the medical expense is determined by taking the cost of the improvement and reducing it by the increase in the value of your property.

Certain improvements do not usually increase property value; therefore, the entire cost can be included in medical expenses. These improvements include, but are not limited to, the following:

- Constructing entrance or exit ramps
- Widening or otherwise modifying doorways and hallways
- Installing railings, support bars or other modifications to bathrooms
- Lowering or modifying kitchen cabinets and equipment
- Moving or modifying electrical outlets and fixtures
- Installing porch lifts and other forms of lifts (elevators, however, generally add value to your property)
- Modifying fire alarms, smoke detectors and other warning systems
- Modifying stairways
- Adding handrails or grab bars in bathrooms or anywhere else
- Modifying hardware on doors
- Modifying areas in front of entrance and exit doorways
- Grading the ground to provide access to the residence

Only reasonable costs to accommodate a home to a disabled condition are considered medical care. Additional costs for personal motives, such as for architectural or aesthetic reasons, are not medical expenses.

\*=Required Fields

### Step 1: Participant Information

\*Participant Name (First, MI, Last)

\*Social Security Number

\*Employer Name (Do not abbreviate)

Employee ID Number

### Step 2: Expense Calculation

Use the instructions below to figure the amount, if any, of your medical expenses due to a home improvement.

*Description of home improvement: _____	
*1. Enter the amount you paid for the home improvement.	\$
*2. Enter the value of your home immediately after the improvement.	\$
*3. Enter the value of your home immediately before the improvement.	\$
*4. Subtract line 3 from line 2. This is the increase in the value of your home due to the improvement. <ul style="list-style-type: none"> <li>• If line 4 is more than or equal to line 1, you have no medical expenses due to the home improvement and therefore cannot be reimbursed.</li> <li>• If line 4 is less than line 1, go to line 5.</li> </ul>	\$
*5. Subtract line 4 from line 1. These are your medical expenses due to the home improvement.	\$

### Step 3: Participant Authorization

To the best of my knowledge, all of the information provided on this form is accurate. I understand that I will also need to submit a completed Medical Necessity Form or a letter from a medical practitioner to verify that the above capital expense is primarily for medical care.

\*Participant Signature

\*Date