

Net medical expense tax offset thresholds

The net medical expense tax offset (NMETO) thresholds for the 2016/17 financial year have been released.

Family status	Adjusted taxable income threshold	What can be claimed?
Single (single at 30 June 2017 and no dependent children)	\$90,000 or less	20% of net medical expenses over \$2,299
	Above \$90,000	10% of net medical expenses over \$5,423
Family (with a spouse at 30 June 2017, or dependent child or children at any time during the year, or both)	\$180,000* or less	20% of net medical expenses over \$2,299
	Above \$180,000*	10% of net medical expenses over \$5,423

*plus \$1,500 for each dependent child after the first. A dependent child is a child under 21 or a child aged 21 to 24 who is studying full time at school, college or university.

NMETO is restricted to expenses including:

- disability aids
- attendant care
- aged care

Disability aids are items that assist the functional capacity of a person with a disability (eg artificial limbs, hearing aids, maintaining a properly trained guide/assistance dog). This does not generally include ordinary household or commercial appliances.

Attendant care expenses relate to services and care provided to a person with certain disabilities to assist with everyday living, such as the provision of personal

assistance, home nursing, home maintenance, and domestic services to a person who is blind or permanently confined to bed or a wheelchair.

Aged care expenses relate to services and accommodation provided by an approved aged care provider to a person who is a care recipient or continuing care recipient. Residential care payments can be for:

- daily fees / accommodation payments
- income or means tested daily care fees
- extra service fees
- accommodation charges
- periodic payment of accommodation bonds
- amounts drawn from a lump sum accommodation bond.

Expenses that do not qualify for the tax offset include lump sum payments of accommodation bonds or refundable accommodation payments.

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