



Commonwealth of Massachusetts  
DEPARTMENT OF HOUSING &  
COMMUNITY DEVELOPMENT

Deval L. Patrick, Governor ♦ Timothy P. Murray, Lt. Governor ♦ Tina Brooks, Undersecretary

**Public Housing Notice 2007-10**

MEMORANDUM

TO: All Local Housing Authorities  
FROM: Carole E. Collins, Director of Bureau of Housing Management  
RE: Clarification of Allowable Medical Expenses When Determining Net Household Income  
DATE: November 15, 2007

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Recently, we received a request for a written statement of the Department's interpretation and application of the deduction for necessary medical expenses in the occupancy regulation (760 CMR 6.05(4)(e)). To insure the consistency of information and thereby practices locally, we have determined that where practicable and appropriate all housing authorities will receive notice of general program application. This notice does not alter our long-standing interpretation, but rather serves as a reminder of the application of this deduction from gross household income when determining net household income.

The regulation (760 CMR 6.05(4)(e)) provides for a deduction from gross household income for payments made by one or more household members for necessary medical expenses which are not covered by insurance or otherwise reimbursed provided those payments are in excess of 3% of annual gross household income. An authority cannot allow deductions in an amount in excess of gross income.

For purposes of determining allowable expenses paid by one or more household members, authorities should use the standards set by the US Department of Treasury's Internal Revenue Service (IRS). Each year the IRS publishes information on medical and dental expenses. The information can be found annually in IRS Publication 17, Your Federal Income Tax under the chapter titled, Medical and Dental Expenses. Publication 17 is readily available on line at [www.irs.gov](http://www.irs.gov) under publications or at a location nearby where tax forms and publications are available. Currently, the information appears at Chapter 21. Included in the information is an easy to read table (21-1 Medical and Dental Expenses Checklist) which provides information on what types of medical and dental expenses can be included as medical expenses as well as types of expenses that cannot be included.

You should not limit your review of the information to the table. The descriptive information in the entire chapter is relevant to your application of this deduction.

If you have any questions, please feel free to contact your housing management specialist.




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