

Information Sheet – Tax Rebate

Taxpayers may claim a tax rebate on the total of all health expenses paid for the whole family (medical, dental, orthodontic, optical, etc.) after the first \$1500 (after deducting reimbursements received or due from Medicare or private health funds).

The tax rebate is currently 20 cents in the dollar.

Calculation of Tax Rebate

Calculate the total amount of your family's health bill (the total amount includes medical and dental expense, glasses, prescriptions, physiotherapy, orthodontic treatment, etc.) for the financial year. Subtract the amount that Medicare and your health fund have refunded you AND subtract \$1500 as well (a tax office requirement). Multiply the result by 0.2 and this will give you the total amount of the tax rebate you can claim for the one tax year.

Please Note: This is not a tax deduction but a tax rebate you can claim on the amount of tax you have to pay. You will need to have copies of all your accounts and receipts to document and verify your total health bills and the amounts you have received from Medicare and your health fund.

Do not rely on this information. It is only a guide. You should take professional advice from your accountant or from whoever does your tax returns in obtaining the latest information on this tax rebate and in calculation of entitlement.

Sample Tax Rebate Table	
Net Health Bill	Tax Rebate
\$5000	\$1000
\$4500	\$900
\$4000	\$800
\$3500	\$700
\$3000	\$600
\$2500	\$500
\$2000	\$400
\$1500	\$300
\$1000	\$200
\$500	\$100
\$250	\$50

Example:

This financial year your family's health bill is \$5750. This might be made up from hospital expenses of \$2750 for one member of the family, new glasses of \$650 for another member of the family, medical bills of \$800 for someone else and orthodontic expenses of \$1550. Medicare has reimbursed you \$1000 and your health fund has reimbursed you \$500.

Your tax rebate would be \$600 calculated as follows:

Gross Expenses	\$5750
Less	\$1000 – Medicare
Less	\$500 – Health fund
Less	<u>\$1500</u> – Tax rule
Net Health Bill	\$2,750
Multiply \$2750 by 0.2 (20%) = \$550 Tax Rebate	

Please Note: There is no Medicare refund for orthodontic treatment