Randolph v. Commissioner, 67 T. C. 481 (1976)

Additional costs incurred for a medically prescribed diet can be deductible as medical expenses under specific conditions.

Summary

Theron and Janet Randolph, both allergic to various chemical compounds, were prescribed a diet of chemically uncontaminated foods to manage their severe allergies. The Randolphs incurred additional costs for these organic foods, which they sought to deduct as medical expenses. The Tax Court ruled in their favor, allowing the deduction of the additional costs incurred for the specially prescribed diet, emphasizing that such costs were directly related to the mitigation of their medical condition, and not merely personal living expenses.

Facts

Theron G. Randolph, a medical doctor specializing in clinical ecology, and his wife Janet Randolph, both suffered from severe allergies to chemical contaminants in foods. Janet's allergies were particularly acute, leading to severe reactions including unconsciousness and hospitalization. To manage their conditions, they were prescribed a diet of organic, chemically uncontaminated foods, which were more expensive than conventional foods. In 1971, they spent $6,156. 91 on these foods, claiming a medical expense deduction of $3,086, which was the additional cost over what similar chemically treated foods would have cost.

Procedural History

The Randolphs filed a joint tax return for 1971, claiming a medical expense deduction for the additional cost of organic foods. The IRS disallowed the deduction, determining a deficiency of $1,480. The Randolphs petitioned the United States Tax Court, which ultimately allowed the deduction for the additional costs associated with their medically prescribed diet.

Issue(s)

1. Whether the additional costs incurred by the Randolphs for purchasing chemically uncontaminated foods, as prescribed for their medical condition, are deductible as medical expenses under section 213 of the Internal Revenue Code.

Holding

1. Yes, because the additional costs were directly related to the mitigation, treatment, or prevention of their disease, and thus qualified as deductible medical expenses under section 213.

Court's Reasoning

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The court applied the principles established in previous cases, particularly *Cohn v. Commissioner*, where additional costs for a medically prescribed diet were deemed deductible. The court noted that the Randolphs' expenditures were for the "additional charge" for special handling required to grow, package, and market food in a chemically free environment, not the cost of the food itself. This additional charge was directly linked to their medical condition, as evidenced by the testimony of multiple physicians. The court also referenced *Cohan v. Commissioner*, stating that absolute certainty in estimating the additional costs was not necessary, and approximations were acceptable. The decision was further supported by IRS rulings, such as Rev. Rul. 76-80, which allowed deductions for the excess cost of items purchased in a special form for medical purposes.

Practical Implications

This ruling expands the scope of deductible medical expenses to include the additional costs associated with medically necessary diets. Attorneys and tax professionals should consider this decision when advising clients with prescribed dietary needs due to medical conditions. It sets a precedent for distinguishing between personal living expenses and medical expenses, particularly in cases involving specialized diets. This case may influence future IRS rulings and court decisions regarding the deductibility of costs related to health maintenance through dietary means. Businesses in the health food industry might see increased demand as more individuals seek to claim deductions for medically prescribed diets. Subsequent cases, such as those involving gluten-free or other specialized diets, may reference *Randolph v. Commissioner* to support claims for deductions based on medical necessity.

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