


IT 263 - Medical expenses - maximyst machines and dermacolor surgical cosmetics

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TAXATION RULING NO. IT 263

MEDICAL EXPENSES - MAXIMYST MACHINES AND DERMACOLOR
SURGICAL COSMETICS

F.O.I. EMBARGO: May be released

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CONCESSIONAL REBATES

159P

MEDICAL EXPENSES

MAXIMYST MACHINES

DERMACOLOR

THERAPEUTIC TREATMENT

FACTS

Consideration has been given to whether the Maximyst Machine and Dermacolor surgical cosmetics qualify as medical expenses for the purposes of section 159P of the Income Tax Assessment Act.

MAXIMYST MACHINE

2. The machine was being widely used on medical advice, both in the treatment of young people and to help older people. It is understood that the machine is 'a nebuliser operated by an electric pump for delivering a fine spray of bronchodilator, antibiotic, or mucus thinner far up the airways' and that it can be used by the patients in their own homes. The machines may be hired out to patients or may be purchased independently.

DERMACOLOR SURGICAL COSMETICS

3. The product called 'Dermacolor' is described as a camouflage make up system, specially formulated for women and men who have a disfigurement to the face or body, caused by birth marks, industrial or automobile accidents, surgery or dermatological problems. The products comprising the system are a skin plastic, camouflage creams, fixing powder, cleansing cream, cleansing milk and cleansing lotion.

4. Generally people wishing to use the system will be referred to the supplier for consultation and a consultation fee will be charged in addition to the charge for any of the products supplied. It is not known whether the supplier is likely to give advice and sell the product to people who call without being referred by a medical practitioner. It seems that the cost of the product would tend to be a constantly recurring expense for a person using the system.

RULING

MAXIMYST MACHINE

5. It has been decided that the Maximyst Machine is a 'medical appliance' within the terms of paragraph (f) of the definition of 'medical expenses' in section 159P(4). Consequently unrecouped expenditure on the hire or purchase of a machine, provided it is prescribed by a legally qualified medical practitioner, may qualify as medical expenses for the purposes of section 159P.

DERMACOLOR SURGICAL COSMETICS

6. While the matter is not entirely free from doubt, it has been decided that, once Dermacolor treatment has been directed for a person by a legally qualified medical practitioner, the giving of advice and the supply of the product by the consultant to the person constitute 'therapeutic treatment' in terms of paragraph (d) of the definition of 'medical expenses'. It follows that, where the treatment has been directed by a legally qualified medical practitioner, amounts paid thereafter as a fee for consultation with the supplier, or for the cost of any products purchased for the treatment, may qualify as medical expenses for the purposes of section 159P.

COMMISSIONER OF TAXATION