

IRS Announces that Purchases of Personal Protective Equipment are Tax Deductible

April 1, 2021

In Announcement 2021-7 (the **Announcement**), the IRS clarified that the costs to purchase personal protective equipment (**PPE**), such as masks, hand sanitizers, and sanitizing wipes, for the primary purpose of preventing the spread of COVID-19, are tax deductible as a medical expense. Specifically, the amounts paid for PPE will be treated as amounts paid for medical care under Section 213(d) of the Internal Revenue Code. The costs of PPE are also eligible to be paid or reimbursed by health flexible spending arrangements, Archer medical savings accounts, health reimbursement arrangements, and health savings accounts. However, if the PPE expense is paid or reimbursed by such an arrangement or account, then the expense will not be tax deductible as a medical expense. The IRS also stated that group health plans may be amended to provide for the reimbursement of PPE expenses incurred for any period beginning on or after January 1, 2020 if (i) the amendment is adopted no later than the last day of the first calendar year beginning after the end of the plan year in which the amendment is effective, (ii) no amendment with retroactive effect is adopted after December 31, 2022, and (iii) the plan is operated consistent with the terms of the amendment, including during the period beginning on the effective date of the amendment through its actual adoption date.

The Announcement is available [here](#).