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Here's the Tax Beat broadcast for April 1

Subject Line: Rehab: Par for the Course

The Masters tees off at Augusta in less than two weeks. Azaleas are blooming, the greens are immaculate, and the whole golf world should be buzzing about birdies. Instead, we're talking about Tiger Woods, again, and not for anything that happened between the ropes.

Last Friday, the 50-year-old billionaire flipped his Land Rover on Jupiter Island after clipping a trailer at high speed. He climbed out the passenger window, was arrested on suspicion of DUI with property damage, and refused a urinalysis. His breathalyzer came back clean for alcohol, but Tiger told officers he'd taken medication for prior injuries. (If that sounds familiar, it's because we've seen this drive slice into the rough before.)

Tiger's off-course history reads like a scorecard nobody wants to sign. In 2009, he crashed his Cadillac Escalade into a tree outside his Florida home, setting off weeks of tabloid revelations about extramarital affairs. There were enough cocktail waitresses in his little black book to fill a leaderboard. He checked into rehab for sex addiction, but his marriage didn't survive the back nine. In 2017, police found him asleep at the wheel of his Mercedes in Jupiter, engine running, on a cocktail of prescription painkillers and sleep meds. He pleaded down to reckless driving and entered an in-patient facility for prescription drug dependence. Now, with the green jacket ceremony just days away, he's landed in the same bunker for the third time.

You have to feel for the guy. Tiger's body has been through more reconstructive work than Augusta's 12th hole, and chronic pain plus world-class pressure is a brutal combination. His inner circle is reportedly concerned, and "rehab" is already floating across the cable news chyrons. We hope he gets the help he needs. But luxury rehab isn't cheap. High-end treatment centers — the kind where celebrities swap war stories over acai bowls and ocean views — run $30,000 to $100,000 a month. Some Malibu facilities charge north of $150,000 for a 30-day stay. (For that price, you'd think they'd throw in a putting green.)

Tiger can afford it. But what about the rest of us who might face a crisis without a billion-dollar Nike deal backing us up? Here's where it gets interesting — and deductible.

Strategy one: Schedule A. Under IRC Section 213, you can deduct medical expenses exceeding 7.5% of your adjusted gross income, and the IRS explicitly includes inpatient addiction treatment — room, board, and therapy. The catch? You have to itemize, and that 7.5% floor is a hazard most taxpayers can't clear. But if your bills are steep enough — say, $75,000 for a 30-day residential program — the math starts working, especially in a year with other big medical costs.

Strategy two: the Health Savings Account. If you're enrolled in a high-deductible health plan, your HSA covers substance abuse treatment with pre-tax dollars — detox, inpatient care, outpatient programs, even medications. No 7.5% floor, no itemizing required. It's like getting a mulligan on the tax you'd otherwise owe. The 2026 contribution limits are $4,400 for individuals and $8,750 for families, so it won't cover the whole stay — but every pre-tax dollar counts.

Strategy three: the Medical Expense Reimbursement Plan. If you're a business owner, a MERP may let you reimburse yourself for medical expenses through the business, turning personal costs into deductible business expenses. There's no dollar cap baked into the Code, and reimbursements are tax-free to the employee. For a high-income owner facing a six-figure rehab tab, this is the club that really drives it down the fairway.

Now, we hope you're not headed to rehab anytime soon! But you probably do have medical expenses you're not deducting. We can't fix your swing — but we can help you take a few strokes off your tax bill. Give us a call and let's tee it up!

Kevin