THE COMPLETE GUIDE TO
DEDUCTING BUSINESS TRAVEL EXPENSES

INTRODUCTION

Deductions. In the vocabulary of taxes there are few words with a sweeter ring. This is particularly true for taxpayers who may not qualify for tax credits, particularly the refundable kind. There are numerous tax deductions to explore: medical expense, charitable, student loan interest, mortgage interest and more.

One of the more complex and varied deductions is related to business travel. This is a tax deduction that is particularly useful to taxpayers who own their own business, operate as a freelancer or contractor or have significant travel for their regular course of business.

This handbook has expert guidance from The Tax Institute at H&R Block. They are tax attorneys, enrolled agents and CPAs with years of education and experience. Specifically, we are indebted to Brittany Benson, Ashlee Crowl, Lynn Ebel, Russell Schneidewind and Mike Slack for their contributions here.

THE GOLDEN RULES FOR TRAVEL EXPENSES

There are a lot of “ifs” to consider when deducting business travel expenses. For example:

A taxpayer may deduct business travel expenses IF they are ordinary and necessary and IF they are incurred away from his or her tax home.

How do you know if an expense is ordinary or necessary? It depends on the facts and the circumstances surrounding the situation.

What is a tax home? We’ll get into that shortly.

Above all else: keep accurate records of all expenses incurred and advances or reimbursements received from an employer, if any. The record can be simple – a handwritten notebook – or sophisticated – a computer spreadsheet. All receipts should be kept along with the record in case a deduction is questioned.

So, in summary, the golden rules are:

1. Only deduct expenses that occur away from the tax home
2. Only deduct expenses that are ordinary and necessary
3. Keep all receipts
4. Create and store a record of all expenses
WHAT IS A TAX HOME?

Generally, a tax home is the taxpayer’s regular place of business or post of duty regardless of where the taxpayer lives. It includes the entire city or general area in which the business or work is located.

Consider this example. A consultant lives in Minneapolis but travels to New York City every week for work; she works five days there most weeks. Her tax home is New York City, even though she lives in Minneapolis. If she has to travel to Newark, New Jersey for a day, it is still considered to be within her tax home because it is in the same general area as New York City.

If taxpayer has more than one place of work, the tax home is the main place of business. Consider the following when determining which one is the main place of business or work.

• The total time ordinarily spent in each place.
• The level of business activity in each place.
• Whether the income from each location is significant.

If the taxpayer does not have a regular or main place of business, the tax home may be the place where taxpayer regularly lives. In these situations the taxpayer may consider their tax home to be their residence and then they travel to different job sites to perform their trade. Use the following three factors to determine where the tax home is located.

• The taxpayer performs part of his or her business in the area of the main home and uses that home for lodging while doing business in the area.
• The taxpayer has living expenses at the main home that are duplicated because the business requires him to be away from that home.
• The taxpayer has not abandoned the area where both his or her historical place of lodging and claimed main home are located; the taxpayer has a member or members of the family living at the main home; or the taxpayer often uses that home for lodging.

If all three factors are satisfied, the tax home is the home where the taxpayer regularly lives. If only two factors are satisfied, the taxpayer may have a tax home depending on all the facts and circumstances. If only one factor is satisfied, the taxpayer is a transient; the tax home is wherever he works and he cannot deduct travel expenses.

So what does it mean if a taxpayer is transient?
A taxpayer who does not have a regular place of business or post of duty and has no place where he or she regularly lives is considered a transient (or an itinerant) and the taxpayer’s tax home is wherever he or she works. A transient worker cannot claim a travel expense deduction because he or she is never considered to be traveling away from home.

The unusual circumstance: two tax homes.
It is possible for a taxpayer to have two tax homes. The taxpayer will then not be away from the taxpayer’s tax home at either location. Thus, if a taxpayer conducts business for half of the year at two separate locations and does not maintain a permanent residence at either the taxpayer will have two tax homes. If instead the taxpayer has a permanent residence, within close proximity of one location, the taxpayer will have only that location as their tax home.

Let’s use the previous example to clarify: If the consultant spends six months traveling to New York City for work and six months traveling to Philadelphia, both locations would be her tax homes since she conducts regular business at both and still maintains a separate residence a great distance away.

However, if she traveled to New York City for six months for business and conducted business in Minneapolis for the other six months, only Minneapolis would be her tax home, since it is where she maintains a permanent residence.
ORDINARY AND NECESSARY

The most important thing to know: personal expenses are not deductible. Just because the expense happens away from home, while traveling for business, does not automatically mean it is deductible. The expense must be deemed both:

1. Ordinary and necessary
2. Directly related to the trade or business

Let’s dig into that.

What is an ordinary and necessary business expense?
To be deductible, a business expense must be both ordinary and necessary.

An ordinary expense is one that is common and accepted in the trade or business.

A necessary expense is one that is helpful and appropriate for the trade or business. An expense does not have to be indispensable to be considered necessary.

For example, an Internet connection is considered both ordinary and necessary for “knowledge” workers – like attorneys, consultants and advertising employees – when conducting work travel.

Is the expense trade or business related?
The easiest way to think about this might be to talk about what is not covered. Any activity that is a hobby cannot qualify as being trade or business related. Any activity that is for personal enjoyment or entertainment will not qualify.

A deductible expense must be engaged in for profit. Any deductible activity should be undertaken to improve the performance of the business on a continuing basis.

Additionally, an expense for an additional night, such as if the business trip is over on Friday and the taxpayer returns home on Saturday, will still be allowed as business related expense if it can be shown that the additional expense will result in an overall savings to the taxpayer. This is sometimes referred to as the “hard headed businessman” rule.

MIXING BUSINESS AND PLEASURE

It sounds like the perfect scenario. Take a vacation, add on some business activities and get a tax-deductible vacation. Of course, it doesn’t quite work like that.

Can a taxpayer deduct expenses for business travel even if the trip includes personal activities?
It depends. It is clear that taxpayers can deduct regular travel expenses when the trip is entirely business related. Additionally, if the taxpayer is on a domestic business trip and made personal side trips or stayed longer than the business purpose required, then the expenses must be allocated between business and personal. The portion of the trip dedicated to business activities is deductible. Any portion related to personal activities is not deductible.

Example:
Luke travels to San Francisco to meet with a client Wednesday through Friday. He stays with a friend in the city on Saturday and Sunday. The expenses he incurred the first three days of the trip may be deductible business expenses. His personal activities on Saturday and Sunday cannot be included in the deduction.
However, if a trip is primarily for personal activities, such as a vacation, then the only deductible business expenses are those incurred at the destination that are directly related to the trade or business and none of the expenses for traveling to the destination are deductible.

*Example:* Marie travels to Hawaii for a 10-day vacation. While there, she attends a two-day industry conference. She could likely deduct the conference registration and lodging fees for two nights, but the rest of her trip – including all the airfare – would be a personal expense.

**What about international trips?**
If the taxpayer travels outside the United States, expenses for travel can be deducted if the trip is entirely for business purposes. Not only that, but all travel expenses are deductible in that case.

However, it’s a different story if the trip is not entirely for business purposes. In order to deduct the travel, the taxpayer must meet one of the following exceptions.

The trip will be considered entirely for business IF:

1. The taxpayer did not have substantial control over arranging the trip. The taxpayer does not have substantial control when he or she is an employee who was reimbursed or paid a travel expense allowance; is not related to the employer; or when the taxpayer is not a managing executive.

2. The taxpayer was outside the United States for a week or less and includes business and personal activities.

3. The taxpayer was outside the United States for more than one week and spent less than 25% of the total time outside of the United States on personal activities.

4. The taxpayer can establish that a personal vacation was not a major consideration even if the taxpayer had substantial control over arranging the trip.

If the trip was primarily for business but the taxpayer did engage in personal activities, then the taxpayer must allocate travel time on a daily basis only deducting expenses for days spent on business activities.

**Special rules for conventions and cruises**
A taxpayer can deduct up to $2,000 per year of expenses for attending conventions, seminars or similar meetings held on cruise ships. All ships that sail are considered cruise ships.

A taxpayer can deduct these expenses only if all of the following requirements are met.

- The convention, seminar or meeting is directly related to the taxpayer’s trade or business.
- The cruise ship is a vessel registered in the United States.
- All of the cruise ship’s ports of call are in the United States or in possessions of the United States.
- The taxpayer attaches to her return a written statement signed by an officer of the organization or group sponsoring the meeting that includes a schedule of the business activities of each day of the meeting and the number of hours the taxpayer attended the scheduled business activities.
- The taxpayer attaches to her return a written statement signed by the taxpayer that includes information about:
  - The total days of the trip (not including the days of transportation to and from the cruise ship port),
  - The number of hours each day the taxpayer devoted to scheduled business activities, and
  - A program of the scheduled business activities of the meeting.
LOCAL TRAVEL

This is one that we get inquiries about frequently. If you don’t take long-distance trips, but spend a lot of time on the road for work, is any of that travel deductible? Maybe.

What is not deductible?
Generally, daily transportation expenses incurred in going between the taxpayer’s residence and a permanent or temporary work location within that metropolitan area are nondeductible commuting expenses. A taxpayer may not deduct the costs of taking a bus, trolley, subway, or taxi, or of driving a car between home and the main or regular place of work. These costs are personal commuting expenses. What if the employer requires the employee to use their personal vehicle for the daily commute? Still not deductible.

What if the taxpayer lives a great distance from work, say 50 miles? Still not deductible.

What if the taxpayer transports work-related tools or items in their own car while commuting to and from work? Still not deductible, but the taxpayer may deduct any additional costs that are incurred to haul hand tools or instruments. For example, if a trailer must be rented to transport the tools, the cost of the trailer may be deductible.

So when are daily transportation expenses deductible?
There are a few – limited – circumstances where taxpayers can deduct regular transportation expenses.

If a taxpayer has one or more regular work location located away from their residence, the taxpayer may deduct daily transportation expenses incurred in going between the taxpayer’s first business location and a subsequent or temporary work location in the same trade or business, regardless of the distance.

If a taxpayer’s residence is the taxpayer’s principal place of business, the taxpayer may deduct daily transportation expenses incurred in going between the residence and another work location in the same trade or business, regardless of whether the other work location is regular or temporary and regardless of the distance. This rule does not apply if traveling between your home office associated with one business to a work location associated with a different business.

WHEN AND HOW ARE THE TAX DEDUCTIONS TAKEN

Most individuals operate and report income and expenses on calendar tax year basis. A calendar year taxpayer will deduct expenses in the year the expense is paid if the expense does not have a useful life beyond 12 months. See property rules for more information about depreciation and claiming a business expense over the course of more than one year.

Taxpayers may use a fiscal year if there is a business purpose for doing so. A fiscal year taxpayer will deduct expenses in the year incurred, even if not paid in that year.

Employees deduct business expenses on Form 2106. An employee must have out-of-pocket expenses that exceed 2% of their Adjusted Gross Income (AGI). Who is an employee? If the taxpayer receives a W-2 to report their wages for tax purposes, then that individual is an employee.

On the other hand, if the taxpayer is self-employed their expenses are claimed on Schedule C (Form 1040) and do not have any limitation – they don’t have to meet the 2% of AGI threshold.

Certain taxpayers working in select occupations are classified as “statutory employees” with their wages reported to them on Form W-2. A statutory employee will deduct their employee business
expenses on Schedule C, and are not subject to the 2% of AGI threshold. A taxpayer’s Form W-2 will indicate whether they are a statutory employee.

Substantiation. AKA: get proof and hang on to it
Substantiation is a fancy way to say: the taxpayer has to prove it. Taxpayers must keep evidence of business travel expenses in order to deduct them. The information that must be noted:

1. the amount of the expense
2. the time and place
3. the business purpose

Even if the expense is clearly deductible the deduction can be denied if not substantiated. Taxpayers must keep adequate records and documentary evidence.

However, the taxpayer can use the per diem method of deducting expenses and still satisfy the substantiation requirements for the amount of the expense. The time, place, and business purpose must still be substantiated through adequate records and documentary evidence.

The per diem method can be used by employers, employees and self-employed individuals. Self-employed individuals and employees can only use the per diem method for meal and incidental expenses, not lodging.

Additionally, a taxpayer (employer, employee or self-employed) can alternate during the year between the per diem method and the actual expense method. The per diem rates for travel can be found at [www.gsa.gov/perdiem](http://www.gsa.gov/perdiem).

Taxpayers in the transportation industry may use a special per diem rate (currently $59 per day for all contiguous US locations and $65 per day for all non-contiguous locations). A taxpayer eligible for this rate is in the transportation industry if the work directly involves moving people or goods by airplane, barge, bus, ship, train or truck and often requires travel during a single trip to localities with differing rates in the per diem tables. These rates, if chosen, must be used for the entire year.

### SPECIFIC BUSINESS TRAVEL EXPENSE DEDUCTIONS

There are many common travel expenses that are deductible under the guidelines set out previously. Here’s a list of some of the most common and what part of the costs are deductible.

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<tr>
<th>TYPE OF EXPENSE</th>
<th>DEDUCTIBLE COST</th>
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<tr>
<td>Transportation</td>
<td>Travel by airplane, train, bus, or car between taxpayer’s home and business destination. If taxpayer was provided with a ticket or is traveling at no cost as a result of a frequent traveler or similar program, the deductible cost is zero.</td>
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<tr>
<td>Taxi, commuter bus, airport limousine</td>
<td>Fares for these and other types of transportation that take the taxpayer between:</td>
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<td></td>
<td>• The airport or station and hotel, and</td>
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<td></td>
<td>• The hotel and the work location of the taxpayer’s customers or clients, business meeting place, or temporary work location.</td>
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Meals and entertainment
Deductible meals and entertainment expenses incurred while away from home on business travel are subject to a 50% limitation, unless certain rare exceptions apply. This means that only 50% of the cost of meals and entertainment expenses incurred while traveling can be deducted. However, employers are allowed to reimburse employees for the full cost of the meals, as the limitation is then applied at the employer level, rather than the employee. For employees, this limitation is applied before applying the 2% of AGI limitation previously discussed.

TSA pre-check/global entry
This is considered to be a government license permit or other right granted by a government unit or agency. The TSA pre-check or global entry status is considered an intangible asset which is subject to depreciation over its fixed useful life. However, the item is considered listed property subject to the listed property rules since it is generally used for entertainment, recreation and amusement. Thus, to be deductible the TSA pre-check or global entry must meet the listed property requirements for deduction. For example, it must be utilized at least 50% of the time for business purposes.

Baggage fees
The cost of sending baggage and sample or display cases between regular and temporary work locations is deductible if the travel for which the fee is incurred is deductible.

Tips
Incidental expenses (such as tips to porters, baggage carriers, etc.) are deductible if substantiated and if the travel meets the requirements for deduction.

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<tr>
<td>Car</td>
<td>Operating and maintaining a car when traveling away from home on business. The taxpayer can deduct actual expenses (including fuel) or the standard mileage rate as well as business-related tolls and parking. If the taxpayer rents a car while away from home on business, he or she can deduct only the business-use portion of the expenses.</td>
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<tr>
<td>Lodging and meals</td>
<td>Lodging and meals if the business trip is overnight or long enough that the taxpayer needs to stop for sleep or rest to properly perform his or her duties. Meals include amounts spent for food, beverages, taxes, and related tips.</td>
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<tr>
<td>Cleaning</td>
<td>Dry cleaning and laundry while away from home on business</td>
</tr>
<tr>
<td>Telephone</td>
<td>Business calls while on a business trip. This includes use of fax machines or other communication devices</td>
</tr>
<tr>
<td>Tips</td>
<td>Tips paid for any of these expenses</td>
</tr>
<tr>
<td>Other</td>
<td>Other similar ordinary and necessary expenses related to the taxpayer’s business travel. These expenses might include transportation to or from a business meal and equipment rental fees.</td>
</tr>
</tbody>
</table>

Additionally, there are some more common travel expenses that may be deducted when additional criteria are met.
VEHICLE EXPENSES
There are two ways to figure the deductible costs of operating a car for business purposes. They are the standard mileage rate and actual expenses. Here’s a look at what’s involved with each one.

Standard mileage rate
The standard mileage rates for business miles are adjusted annually for inflation. Check with the IRS for updates each year. (http://www.irs.gov/Tax-Professionals/Standard-Mileage-Rates)

A taxpayer who uses the standard mileage rate uses the standard rate instead of calculating certain fixed and variable costs allocable to business purposes. So in this method, items such as depreciation or lease payments, maintenance and repairs, tires, gasoline (including all taxes), oil, insurance, and license and registration fees are components of the rate and cannot be claimed in addition to the amount calculated.

A taxpayer may deduct, as separate items, parking fees and tolls attributable to use of the car for business purposes. A taxpayer may also deduct interest relating to the purchase of the automobile and state and local personal property taxes as separate items to the extent otherwise allowable.

If the car is operated less than 100% for business purposes, a taxpayer must allocate the business and nonbusiness portion of the allowable taxes and interest deduction.

If the taxpayer wants to use the standard mileage rate for a car he or she owns, the taxpayer must choose to use that method in the first year the car is used in a business. Then in later years, the taxpayer can choose to use either the standard mileage rate or actual expenses. In later years, if a taxpayer deducts actual costs of operating a vehicle, a per-mile amount is treated as depreciation for those years in which the taxpayer used the business standard mileage rate. This helps the taxpayer determine the current year depreciation allowance.

If the taxpayer wants to use the standard mileage rate for a car he or she leases, it must be used for the entire lease period.

The business standard mileage rate may not be used:

1. To compute the deductible expenses of five or more automobiles a taxpayer owns or leases and uses simultaneously (such as in fleet operations).
2. To compute the deductible business expenses of an automobile a taxpayer leases unless the taxpayer uses either the business standard mileage rate or a fixed and variable rate allowance (FAVR allowance) for the entire lease period.
3. To compute the deductible expenses of an automobile for which the taxpayer has
   a. claimed depreciation using a method other than straight-line for its estimated useful life,
   b. claimed a §179 deduction,
   c. claimed the bonus (additional first-year) depreciation allowance under §168(k) or §168(n), or
   d. used the Accelerated Cost Recovery System (ACRS) or the Modified Accelerated Cost Recovery System (MACRS)

By using the business standard mileage rate, the taxpayer has elected to exclude the automobile (if owned) from MACRS pursuant to §168(f)(1).

If, after using the business standard mileage rate, the taxpayer uses actual costs, the taxpayer must use straight-line depreciation for the automobile’s remaining estimated useful life (subject to the applicable depreciation deduction limitations under §280F).

The standard mileage rate is not allowed to be used to deduct expenses for a borrowed vehicle or a rental vehicle. Instead, the taxpayer may only deduct substantiated expenses using the actual
expense method. Additionally, for a borrowed or rented vehicle the expenses must not include what are considered to be owner expenses. Thus, the taxpayer cannot deduct an expense for depreciation, auto payments or auto insurance.

Actual expenses

If the taxpayer does not use the standard mileage rate, the taxpayer deducts the actual expenses of operating the car. These expenses include:

1. Depreciation
2. Lease payments
3. Registration fees and licenses
4. Insurance
5. Gas, oil, and repairs
6. Garage rent
7. Tires
8. Tolls and parking fees

The expenses for a car used for both personal and business purposes must be divided between the two uses. The expenses are prorated based on the miles driven for each purpose.

What if a taxpayer changes methods?

To use the standard mileage rate for auto expenses, the taxpayer must choose to use it in the first year the vehicle is available for use in taxpayer’s business. Then in later years, the taxpayer can choose to use either the standard mileage rate or actual expenses.

Although, for future years in which the actual expenses are used the election to use the standard mileage rate in the first year is also considered an election to not depreciate the vehicle under MACRS which causes the vehicle will be subject to straight line depreciation.

The recovery period for the vehicle will then not be based on the MACRS useful life but instead on the estimated useful life as determined by the taxpayer on a reasonable basis.

One such reasonable basis for estimating the useful life of the vehicle would be based upon the total amount of miles the vehicle can be expected to last divided by the number of miles the vehicle is used by the taxpayer during the year.

Also, the taxpayer will need to depreciate only the remaining basis of the vehicle for depreciation in the second and subsequent years after deducting the depreciation component of the standard mileage rate from the adjusted basis of the vehicle.

Otherwise expenses will be deducted without modification that are allowed and substantiated expenses under the actual expense method.

LISTED PROPERTY RULES

Passenger automobiles are listed property. For purposes of listed property rules, a passenger automobile is any four-wheeled vehicle (including a truck or van) that is made primarily for use on public streets, roads and highways. Its unloaded gross vehicle weight, or GVW (in the case of a truck or van), must not be more than 6,000 pounds. A car includes any part, component or other item that is physically attached to it or is usually included in the purchase price.
For listed property rules, a passenger automobile does not include:

1. An ambulance or hearse used directly in a business.
2. A vehicle used directly in the business of transporting persons, or property, for pay or hire.
3. A truck or van that is a qualified non-personal use vehicle.

Here, “trucks and vans” refer to passenger automobiles that are built on a truck chassis, including minivans and sport utility vehicles (SUVs).

If listed property is not used predominantly (more than 50%) in a trade or business in the year the property is acquired:

- No §179 deduction is allowed
- Depreciation must be determined using the straight-line ADS method.

If listed property is not used predominantly (more than 50%) on an annual basis in a trade or business, in a subsequent year:

- The taxpayer may need to recapture previously allowed depreciation. This may be a good opportunity to meet with a tax professional for help.
- The property can only be depreciated for remaining years using the straight-line ADS method.

**Depreciation of remaining basis after end of useful life**

When depreciation is limited, an asset may have unrecovered basis at the end of the recovery period. This basis can be depreciated until the full value is recovered. The deduction is still subject to the business use percentage limitation and other limitations.

To deduct this depreciation, unrecovered basis must be determined by using the asset cost or other basis as reduced by applicable credits, depreciation and IRC § 179 deductions that would have been allowed if used 100% for business. However, depreciation after the end of the recovery period described above cannot be claimed for listed property other than passenger vehicles.

**INDUSTRY-SPECIFIC RULES FOR BUSINESS TRAVEL DEDUCTIONS**

**Rotators**

Rotators (generally oil rig workers and the like) spend 28 days on-duty and 28 days off-duty. They generally return to their homes during the off-duty period. A rotator is not treated as being away from his tax home when on-duty and is not allowed a deduction for travel expenses, meals or incidentals to and from his work site.

**Union members**

Generally, if a worker gets work assignments at a union hall and then travels to his place of work, the costs to travel to the union hall and then to the place of work are not deductible. The costs are considered nondeductible commuting expenses.

**Travelling nurses**

If the traveling nurse has a tax home, the nurse can deduct travel expenses (including temporary assignment expenses) while away from that tax home under the usual rules. A nurse also will be able to deduct daily transportation expenses between locations.
Firefighters, EMTs and Police Officers
These individuals are not considered to be transportation workers and are not eligible to use the transportation industry per diem rates.

Also, the taxpayers are not allowed a deduction for meals while at the fire house, hospital or station since they are not considered to be away from their tax home.

Only in very narrow instances may meals while on duty be deductible for these individuals. For firefighters this would be when meals are required as a department policy and contribution is mandatory.

Voluntary contribution to a meal fund is not deductible, contribution required for a union contract is not deductible and meals eaten while not allowed to leave the firehouse are not deductible. As well, the length of the shift does not change this result for firefighters.

Volunteers
Out-of-pocket expenses incurred while volunteering for a qualified charitable organization are deductible as a charitable deduction. These amounts would be subject to the charitable deduction limitations. Included in these expenses would be travel, meals and mileage. The actual expense method can be used or a special standard mileage rate, of $0.14 per mile, may be used.

Military reservists
Military reservists are allowed to deduct travel expenses as employee business expenses (subject to 2% of AGI) for travel when it is necessary to stay away from home overnight in connection with reserve service.

For expenses incurred after 2002, an above-the-line deduction is allowed for non-reimbursable travel expenses for military reservists who serve more than 100 miles away from home and stay overnight. Expenses cannot exceed the rate for travel expenses, including per diem in lieu of subsistence, for government employees. The deduction is claimed in the adjustments to gross income section of Form 1040, on the “Certain business expenses of reservists, performing artists and fee-basis government officials” line.

Do note that Form 2106 (Employee Business Expenses) must be attached to the tax return.

Performing artists
Expenses of performing artists are deductible in determining adjusted gross income. To qualify, the taxpayer must have earned at least $200 from each of at least two employers as a performing artist. The allowable expenses must exceed 10% of the performer’s gross income, and their AGI must be $16,000 or less. If the performer lives with a spouse, they must file jointly and deduct these expenses to reach AGI.

Do note that Form 2106 (Employee Business Expenses) must be attached to the tax return.

Fee-Basis Government Officials
Expenses of fee-basis government officials are deductible in determining adjusted gross income. To qualify the official must be employed by a state or political subdivision of a state and are compensated, in whole or in part, on a fee basis.

Do note that Form 2106 (Employee Business Expenses) must be attached to the tax return.

State Legislators
An individual who is a state legislator at any time during the tax year may elect to treat his place of residence within the legislative district he represents as his tax home for that year, for purposes of computing the deduction for away-from-home travel expenses. A legislator who makes the election is considered to be away from home in pursuit of a trade or business on each “legislative day”.

This election is not available if the state legislator’s residence is 50 or fewer miles from the state capitol building.
CONCLUSION

Above all else, H&R Block wants to get our clients everything they deserve – every penny of tax refund and every deduction for which they qualify. While this guide aims to be as comprehensive as possible when it comes to business travel expense deductions, there may still be questions. Every situation is unique, and sometimes it’s best to talk with someone directly about every factor. Our offices are open year-round, so make an appointment to meet with one of our tax professionals now.