

CAN YOU DEDUCT EXPENSES TO A TEMPORARY WORKPLACE?

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You may be able to deduct travel expenses as well as meals and lodging at a **temporary workplace**.

Just what is a temporary workplace?

- Employment is temporary if it is realistically **expected** to last for a **year or less**.
- If employment at a location is **expected to last for over a year**, the employment is **not** temporary, regardless of whether it actually exceeds one year.
- If employment at a location initially is expected to last for one year or less, but later the expectation is for it to exceed a year, the employment is temporary until the date the taxpayer's expectation changes. After that date, it is nontemporary.
- During employment of **short and fixed duration** away from a taxpayer's regular business location, **tax home does not change**.

What is not considered temporary workplace?

You are **not** on a temporary assignment if the stay away from home **exceeds one year**. This means that for stays away from home of over one year, **no travel or living cost deductions** at the assignment location are allowed, even though the taxpayer's family remains at the old job location.

Are there tax advantages if job qualifies as temporary workplace?

Yes. You may **deduct the necessary travel expenses** in first getting to the temporary place of work and in returning to the tax home after the assignment is completed. Reasonable expenses for **meals, lodging**, and other ordinary and necessary business expenses are deductible while at the temporary location (**even for days off**).

Are there distance requirements for job to qualify as temporary workplace?

Tax rules do not cite specific distance but we can get a glimpse on what has worked from court cases:

- *Ellwein, Nester v. U.S.*, (1985, CA8) is a case where a taxpayer who lived and normally worked in Stockton, CA, could deduct the expenses of commuting to temporary job locations in Novato, Napa, and Yuba City, round trip distances of 171, 141, and 174 miles, respectively. Those locations were distant from her home in Stockton. (*Daiz, Teresita T.*, (2002) *TC Memo2002-192*).
- *Epperson, Jessie Elvin*, (1985) *TC Memo 1985-382* is a case in which commuting expenses from Seffner, FL, to New Wales and St. Petersburg, round trip distances of 44 and 30 miles, weren't deductible because the temporary job sites were within the general area of taxpayer's home.
- A union boilermaker who was required by the terms of his union membership to accept temporary assignments throughout his home state (Wisconsin) was permitted to deduct transportation expenses incurred in traveling to job sites that were over 35 miles from his home. He could also deduct motel and meal expenses incurred while working at more distant job sites, where it was impractical to drive home each day.

In summary, workplace is temporary if:

- It's expected to last and does last **one year or less**.
- It's **expected** to last one year or less and then the **expectation changes to longer** - the **period up to the change in expectation is a temporary workplace**.

Workplace is **not** temporary if it's expected to last for over a year (regardless of the actual duration).