

# Overnight Drivers

# key expenses

## OUT-OF-TOWN TRAVEL:

Expenses accrued when traveling away from “home” overnight for job-related reasons are deductible. Your “home” is generally considered to be the entire city or general area where your principal place of employment is located. Out-of-town expenses include transportation, meals, lodging, tips and miscellaneous items like laundry, valet etc.

Document your away-from-home expenses by noting the date, destination and business purpose of your trip. In addition, keep a detailed record of your expenses – lodging, public transportation, meals etc. Always list meals and lodging separately in your record. Receipts must be retained for each lodging expense. However, if any other business expense is less than \$75, a receipt is not necessary if you record all of the information in a timely diary. Keep track of the full amount of meal and entertainment expenses even though only a portion of the amount may be deductible.

## OFFICE EXPENSES:

Use this section to record miscellaneous expenses of supplies and services you are responsible for when you are on the road. For example, you may be required to fax or mail an important document back to your home office; such expenses are deductible if they are not reimbursed by your employer.

## SUPPLIES:

Generally, to be deductible, items must be ordinary and necessary to your job. If you are an employee, only amounts not reimbursable by your employer are deductible. Record

separately from other supplies items costing more than \$100 and having a useful life of more than one year. These items must be reported differently on your tax return than recurring everyday business expenses such as maps.

If you are required to wear a uniform, the cost and upkeep may be deductible. IRS rules specify that expenses for work clothing and its maintenance are deductible if: (1) the uniforms are required by your employer (if you are an employee); and (2) the clothes are not adaptable to ordinary street wear.

## COMMUNICATION EQUIPMENT:

Since special rules apply to deductions for cellular telephones and similar items (called “listed property” in the tax rules), it is important to track their business and personal use carefully. Such property potentially qualifies for larger current deductions when they are used more than 50% of the time for business. Keep your bills for cellular phone use and mark all business calls.

## FEES & DUES:

Union or other professional dues are deductible. Amounts paid to a union that are meant to go toward defraying your personal expenses are not deductible. However, any portion of the union payments that goes into a strike fund is deductible.

## MISCELLANEOUS EXPENSES:

Use this section to record expenses that don't easily fit in other categories. For example, if you look for a job in the same line of work, you may deduct the expenses. Such expenses could include mileage to interviews, resume preparation etc.



Occupational Series

*The information provided in this brochure is an abbreviated summary of the rules for the job-related expenses applicable to educators. For additional details as to specific business expenses, the records required and the various governmental regulations, consult the firm providing this brochure.*

