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Assignments

Ken Berry, JD • Sep. 14, 2014



[This is part of a [series of articles](#) on maximizing deductions for travel and entertainment (T&E) expenses.]

Normally, you can't deduct the cost of traveling between your home and your job,

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of business, commuting to another business location like a client's place of business is deductible. Another notable exception allows you to deduct travel between your home and a temporary work location if you maintain one or more regular business locations away from your home.

As far as the IRS is concerned, a "temporary" assignment in a single location is one that is realistically expected to last — and in fact, does last — for one year or less. If this occurs, to save travel costs, you might decide to stay close to the temporary job location during the weekdays and then travel home on the weekends. In effect, you can write off the cost of your personal trip home and back.

Conversely, if the job is "indefinite," the location of the assignment effectively becomes your new "tax home." As a result, you can no longer deduct travel expenses from your home to the temporary assignment location. An assignment or job in a single location is considered indefinite if it is realistically expected to last for more than one year — regardless of whether it actually lasts more than one year or not.

Along the same lines, you may be allowed to deduct travel expenses between home and temporary work locations outside the metropolitan area where you normally live and work. But there is no strict definition of "metropolitan area" in the tax code for the courts to follow. Accordingly, the courts will consider the relevant facts and circumstances to decide if the expenses of a particular taxpayer were incurred traveling to a worksite sufficiently distant from the area where the taxpayer normally lives and works.

As you might imagine, this issue has surfaced several times in the courts, usually with limited success for taxpayers.

Recent example: The taxpayer worked for a construction firm headquartered in Cincinnati, but never reported to the home office. Instead, he traveled to five

temporary worksites during the tax year in question. None of the jobs lasted longer

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After digging deep into the tax rules for temporary assignments, the Tax Court denied the deductions. It wasn't convinced that any of the temporary worksites where the taxpayer worked were outside of the Cincinnati metropolitan area (Saunders, TC Memo 2012-200).

Moral of the story: Both the IRS and the courts are likely to stretch the boundaries of a metropolitan area for purposes of these rules. Make sure that you standing on firm ground if you're claiming deduction involving temporary assignments.

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