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personal—just remember that the IRS pays close attention to expenses incurred.

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*By Alexandra Francel, EA, MST.*

Whether it's summer or any other time of the year when you feel as if you just have to get away, there's a big question on the minds of employers and business owners. Can

I mix my business travel and a vacation, and if so, am I allowed to deduct those

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First, let's go over some guidelines given by the IRS regarding travel expenses. The IRS states that travel expenses must be ordinary and necessary. They cannot be lavish, extravagant, or for personal purposes. Deductions for business travel can be available when someone must travel away from their tax home or main place of work for business reasons. A taxpayer is considered to be away from home when they are away for longer than an ordinary day's work, and need to sleep to meet the demands of their work while away. Travel expenses for conventions are deductible if the attendance benefits the business.

When traveling within the United States, there are several ways business trips can take place. Either the main purpose of the trip is for business or the main purpose is pleasure. There are different types of deductions for each one, so let's take a look at them separately.

### **Business trips that are 100% for business**

For trips that are all business, make sure your clients establish the rule of having a prior set business purpose by scheduling your appointments and business purpose prior to leaving for your trip. When your trip is 100% business, the IRS states travel expenses incurred for yourself are 100% deductible. This includes all costs associated with travel by airplane, train, bus, or car between your home and your business destination.

Other expenses that are deductible include the following:

- Fares for taxis or other types of transportation.
- Shipping of baggage, sample, or display materials.
- Use of your personal vehicle for business trips.
- Lodging and non-entertainment meals (50% of meals).
- Dry cleaning and laundry.

- Business calls and communications.

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vacation, make a personal side trip, or have other personal activities, you can only deduct your business-related travel expenses. However, certain weekends and holidays might be allowable for personal purposes depending on the planning. The IRS states that you can count weekends, holidays, and other necessary standby days as business days if they fall *between* business days. But if they follow your business meetings or activity, and you remain at your business destination for non-business or personal reasons, you can't count them as business days.

For example, if you are at a business destination on a Friday, and also required to be there on the following Monday for business purposes, then the weekend days in between are considered business days. This is true even if you use the weekend for non-business activities. However, if your business ends on a Friday, and you choose to stay that weekend, any expenses incurred after the business day are not deductible.

When taking a trip that is business and family joins you, only those expenses that apply to you are deductible. For example, if you are traveling by vehicle, the entire cost would be deductible because you would have incurred that cost regardless of whether the transportation is used for business or leisure. However, if you are traveling by plane, only the cost of your airfare is deductible. For lodging expenses with family, the allowable deductible cost is what you would have paid for a single room rather than a double room.

In order to substantiate these expenses, make sure to keep proper documentation that shows what the rate of a single room would have been for the time away. The same applies for non-entertainment meals. You can deduct 50% of the non-entertainment meals relating to your individual expense—not the entire family's meals.

Unfortunately, trips that are primarily for personal reasons or vacations are completely nondeductible. However, if you do conduct any business while you are at

your destination, only expenses that are 100% directly related to your business are

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For more information, please see [IRS Publication 105, Travel, Gift, and Car Expenses](#), which provides more detail regarding these expenses, including those that are out of the country, for conventions, and other venues and scenarios.

*Note: All information provided above is relevant for the tax years covered in the above mentioned Publication. For future tax years, please be sure to reference any updates issued by the IRS.*

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