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#### CAN YOU CLAIM YOUR TRAVEL EXPENSES AS BUSINESS DEDUCTIONS?

Remember, in order to claim your travel expenses as business deductions, you must be leaving your tax home for business purposes and returning back to your tax home.

A tax home is the place you regularly work.

As nomads, our tax home situation changes a lot. To determine if we can take a tax deduction, we must determine where our tax home is for the current business trip to make sure we are leaving our tax home for business purposes and returning back to our tax home after our business trip is over.

Continue on to determine where your tax home is and if you can claim your travel expenses as a business deduction.

## WHERE IS YOUR TAX HOME & CAN YOU CLAIM THE DEDUCTION?

If you don't have a regular or main place of business or work, use the following three factors to determine where your tax home is. If you satisfy:

- All three factors, your tax home is where you regularly live. So for your business trip, you are leaving and returning to your tax home and can claim your travel expenses as a business deduction.
- Only two factors, you may have a tax home depending on all the facts and circumstances. So for your business trip, you may be leaving and returning to your tax home and you may be able to claim your travel expenses as a business deduction.
- Only one factor, you are an itinerant, your tax home is wherever you work, and you cannot claim your travel expenses as a business deduction.

#### FACTOR 1

"You perform part of your business in the area of your main home and you use that home for lodging while doing your business in the area."

### FACTOR 2

"You have living expenses at your main home that you duplicate because your business requires you to be away from that home."

# FACTOR 3

"You haven't abandoned the area that which both your historical place of lodging and your claimed main home are located, or you have member(s) of your family living at your main home, or you often use that home for lodging." <u>IRS Publication 463</u>.

### **PROVE YOUR TAX HOME & BUSINESS DEDUCTIONS**

To have proof that you left your tax home and returned back to it to claim your travel deductions, remember to:

- 1. Maintain your annual travel log (See an example here)
- 2. Keep copies and a record of your receipts

### HAVE QUESTIONS?

Let's chat! Contact me at nuventurecpa.com/contact.