

Unreimbursed Employee Business Expenses

Department of the Treasury
Internal Revenue Service (99)

▶ **Attach to Form 1040 or Form 1040NR.**

Your name	Occupation in which you incurred expenses	Social security number : : :
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You May Use This Form Only if All of the Following Apply.

- You are an employee deducting ordinary and necessary expenses attributable to your job. An ordinary expense is one that is common and accepted in your field of trade, business, or profession. A necessary expense is one that is helpful and appropriate for your business. An expense does not have to be required to be considered necessary.
- You **do not** get reimbursed by your employer for any expenses (amounts your employer included in box 1 of your Form W-2 are not considered reimbursements for this purpose).
- If you are claiming vehicle expense, you are using the standard mileage rate for 2008.

Caution: You can use the standard mileage rate for 2008 **only if:** (a) you owned the vehicle and used the standard mileage rate for the first year you placed the vehicle in service, **or** (b) you leased the vehicle and used the standard mileage rate for the portion of the lease period after 1997.

Part I Figure Your Expenses

1 Vehicle expense using the standard mileage rate. Complete Part II and then go to line 1a below.			
a Multiply business miles driven before July 1, 2008, by 50.5¢ (.505) .	1a		
b Multiply business miles driven after June 30, 2008, by 58.5¢ (.585) .	1b		
c Add lines 1a and 1b	1c		
2 Parking fees, tolls, and transportation, including train, bus, etc., that did not involve overnight travel or commuting to and from work	2		
3 Travel expense while away from home overnight, including lodging, airplane, car rental, etc. Do not include meals and entertainment	3		
4 Business expenses not included on lines 1c through 3. Do not include meals and entertainment	4		
5 Meals and entertainment expenses: \$ _____ × 50% (.50). (Employees subject to Department of Transportation (DOT) hours of service limits: Multiply meal expenses incurred while away from home on business by 80% (.80) instead of 50%. For details, see instructions.)	5		
6 Total expenses. Add lines 1c through 5. Enter here and on Schedule A (Form 1040), line 21 (or on Schedule A (Form 1040NR), line 9)). (Armed Forces reservists, fee-basis state or local government officials, qualified performing artists, and individuals with disabilities: See the instructions for special rules on where to enter this amount.)	6		

Part II Information on Your Vehicle. Complete this part **only** if you are claiming vehicle expense on line 1.

- 7 When did you place your vehicle in service for business use? (month, day, year) ▶ / /
- 8 Of the total number of miles you drove your vehicle during 2008, enter the number of miles you used your vehicle for:
- a Business b Commuting (see instructions) c Other
- 9 Was your vehicle available for personal use during off-duty hours? **Yes** **No**
- 10 Do you (or your spouse) have another vehicle available for personal use? **Yes** **No**
- 11a Do you have evidence to support your deduction? **Yes** **No**
- b If "Yes," is the evidence written? **Yes** **No**

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Instructions for Form 2106-EZ

Section references are to the Internal Revenue Code.

What's New

Standard mileage rate. The 2008 rate for business use of your vehicle is 50½ cents a mile (58½ cents a mile after June 30, 2008).

Meal expenses. The percentage of meal expenses that can be deducted by employees subject to the Department of Transportation (DOT) hours of service limits has increased to 80%.

Purpose of Form

You may use Form 2106-EZ instead of Form 2106 to claim your unreimbursed employee business expenses if you meet all the requirements listed above Part I of the form.

Recordkeeping

You cannot deduct expenses for travel (including meals, unless you used the standard meal allowance), entertainment, gifts, or use of a car or other listed property, unless you keep records to prove the time, place, business purpose, business relationship (for entertainment and gifts), and amounts of these expenses. Generally, you must also have receipts for all lodging expenses (regardless of the amount) and any other expense of \$75 or more.

Additional Information

For more details about employee business expenses, see:

Pub. 463, Travel, Entertainment, Gift, and Car Expenses

Pub. 529, Miscellaneous Deductions

Pub. 587, Business Use of Your Home (Including Use by Daycare Providers)

Pub. 946, How To Depreciate Property

Specific Instructions

Part I—Figure Your Expenses

Line 2. See the line 8b instructions for the definition of commuting.

Line 3. Enter lodging and transportation expenses connected with overnight travel away from your tax home (defined on this page). You generally cannot deduct expenses for travel away from your tax home for any period of temporary employment of more than 1 year. Do not include expenses for meals and entertainment on this line. For more details, including limits, see Pub. 463.

If you did not pay or incur meal expenses on a day you were traveling away from your tax home, you can use an optional method for deducting incidental expenses instead of keeping records of

your actual incidental expenses. The amount of the deduction is \$3 a day. Incidental expenses include fees and tips given to porters, baggage carriers, bellhops, hotel maids, stewards or stewardesses and others on ships, and hotel servants in foreign countries. They do not include expenses for laundry, cleaning and pressing of clothing, lodging taxes, or the costs of telegrams or telephone calls. You cannot use this method on any day that you use the standard meal allowance (as explained in the instructions for line 5).

Tax home. Generally, your tax home is your main place of business or post of duty regardless of where you maintain your family home. If you do not have a regular or main place of business because of the nature of your work, then your tax home is the place where you regularly live. If you do not fit in either of these categories, you are considered an itinerant and your tax home is wherever you work. As an itinerant, you are never away from home and cannot claim a travel expense deduction. For more information about determining your tax home, see Pub. 463.

Line 4. Enter other job-related expenses not listed on any other line of this form. Include expenses for business gifts, education (tuition, fees, and books), home office, trade publications, etc. For details, including limits, see Pub. 463 and Pub. 529.

If you are deducting home office expenses, see Pub. 587 for special instructions on how to report these expenses.

If you are deducting depreciation or claiming a section 179 deduction on a cellular telephone or other similar telecommunications equipment, a home computer, etc., see Form 4562, Depreciation and Amortization, to figure the depreciation and section 179 deduction to enter on line 4.

Do not include on line 4 any (a) educator expenses you deducted on Form 1040, line 23, or Form 1040NR, line 24, or (b) any tuition and fees you deducted on Form 1040, line 34.



You may be able to take a credit for your educational expenses instead of a deduction. See Form 8863, Education Credits, for details.

Do not include expenses for meals and entertainment, taxes, or interest on line 4. Deductible taxes are entered on Schedule A (Form 1040), lines 5 through 9 (or Schedule A (Form 1040NR), lines 1 through 3). Employees cannot deduct car loan interest.

Note. If line 4 is your only entry, do not complete Form 2106-EZ unless you are claiming:

- Expenses for performing your job as a fee-basis state or local government official,
- Performing-arts-related business expenses as a qualified performing artist, or

- Impairment-related work expenses as an individual with a disability.

See the line 6 instructions for definitions. If you are not required to file Form 2106-EZ, enter your expenses directly on Schedule A (Form 1040), line 21 (or on Schedule A (Form 1040NR), line 9).

Line 5. Generally, you can deduct only 50% of your business meal and entertainment expenses, including meals incurred while away from home on business. If you were an employee subject to the DOT hours of service limits, that percentage is 80% for business meals consumed during, or incident to, any period of duty for which those limits are in effect.

Employees subject to the DOT hours of service limits include certain air transportation employees, such as pilots, crew, dispatchers, mechanics, and control tower operators; interstate truck operators and interstate bus drivers; certain railroad employees, such as engineers, conductors, train crews, dispatchers, and control operations personnel; and certain merchant mariners.

Instead of actual cost, you may be able to claim the standard meal allowance for your daily meals and incidental expenses (M&IE) while away from your tax home overnight. Under this method, you deduct a specified amount, depending on where you travel, instead of keeping records of your actual meal expenses. However, you must still keep records to prove the time, place, and business purpose of your travel.

The standard meal allowance is the federal M&IE rate. For most small localities in the United States, the 2008 rate is \$39 a day. Most major cities and many other localities in the United States qualify for higher rates. You can find these rates on the Internet at www.gsa.gov.

For locations outside the continental United States, the applicable rates are published each month. You can find these rates on the Internet at www.state.gov.

See Pub. 463 for details on how to figure your deduction using the standard meal allowance, including special rules for partial days of travel and for transportation workers.

Line 6. If you are one of the individuals discussed below, special rules apply to deducting your employee business expenses.

Ministers. Before entering your total expenses on line 6, you must reduce them by the amount allocable to your tax-free allowance(s). See Pub. 517 for more information.

Armed Forces reservist (member of a reserve component). You are a member of a reserve component of the Armed Forces of the United States if you are in the Army, Naval, Marine Corps, Air Force, or Coast Guard Reserve, the

Army National Guard of the United States, the Air National Guard of the United States, or the Reserve Corps of the Public Health Service.

If you qualify, include the part of the line 6 amount attributable to the expenses for travel more than 100 miles away from home in connection with your performance of services as a member of the reserves on Form 1040, line 24, and attach Form 2106-EZ to your return. These reservist-related travel expenses are deductible whether or not you itemize deductions. Enter the remaining expenses from line 6 on Schedule A (Form 1040), line 21. See Pub. 463 for more information.

Fee-basis state or local government official. You are a qualifying fee-basis official if you are employed by a state or political subdivision of a state and are compensated, in whole or part, on a fee basis.

If you qualify, include the part of the line 6 amount attributable to expenses you incurred for services performed in that job in the total on Form 1040, line 24, and attach Form 2106-EZ to your return. These employee business expenses are deductible whether or not you itemize deductions. Enter the remaining expenses from line 6 on Schedule A (Form 1040), line 21.

Qualified performing artist. You are a qualified performing artist if you:

1. Performed services in the performing arts as an employee for at least two employers during the tax year,
2. Received at least \$200 each from any two of these employers,
3. Had allowable business expenses attributable to the performing arts of more than 10% of gross income from the performing arts, and
4. Had adjusted gross income of \$16,000 or less before deducting expenses as a performing artist.

In addition, if you are married, you must file a joint return unless you lived apart from your spouse for all of 2008. If you file a joint return, you must figure requirements (1), (2), and (3) separately for both you and your spouse. However, requirement (4) applies to the combined adjusted gross income of both you and your spouse.

If you meet all of the above requirements, include the part of the line 6 amount attributable to performing-arts-related expenses in the total on Form 1040, line 24 (or on Form 1040NR, line 34), and attach Form 2106-EZ to your return. These performing-arts-related business

expenses are deductible whether or not you itemize deductions. Enter the remaining expenses from line 6 on Schedule A (Form 1040), line 21 (or on Schedule A (Form 1040NR), line 9).

Disabled employee with impairment-related work expenses.

Impairment-related work expenses are the allowable expenses of an individual with physical or mental disabilities for attendant care at his or her place of employment. They also include other expenses in connection with the place of employment that enable the employee to work. See Pub. 463 for details.

If you qualify, enter the part of the line 6 amount attributable to impairment-related work expenses on Schedule A (Form 1040), line 28 (or on Schedule A (Form 1040NR), line 16). These expenses are not subject to the 2% limit that applies to most other employee business expenses. Enter the remaining expenses from line 6 on Schedule A (Form 1040), line 21 (or on Schedule A (Form 1040NR), line 9).

Part II—Information on Your Vehicle

If you claim vehicle expense, you must provide certain information on the use of your vehicle by completing Part II. Include an attachment listing the information requested in Part II for any additional vehicles you used for business during the year.

Line 7. The date placed in service is generally the date you first start using your vehicle. However, if you first start using your vehicle for personal use and later convert it to business use, the vehicle is treated as placed in service on the date you started using it for business.

Line 8a. Do not include commuting miles on this line; commuting miles are not considered business miles. See the definition of commuting under *Line 8b*.

Line 8b. If you do not know the total actual miles you used your vehicle for commuting during the year, figure the amount to enter on line 8b by multiplying the number of days during the year that you used your vehicle for commuting by the average daily roundtrip commuting distance in miles. However, if you converted your vehicle during the year from personal to business use (or vice versa), enter your commuting miles only for the period you drove your vehicle for business.

Generally, commuting is travel between your home and a work location. However, travel that meets any of the following conditions is not commuting.

- You have at least one regular work location away from your home and the travel is to a temporary work location in the same trade or business, regardless of the distance. Generally, a temporary work location is one where your employment is expected to last 1 year or less. See Pub. 463 for details.
- The travel is to a temporary work location outside the metropolitan area where you live and normally work.
- Your home is your principal place of business under section 280A(c)(1)(A) (for purposes of deducting expenses for business use of your home) and the travel is to another work location in the same trade or business, regardless of whether that location is regular or temporary and regardless of distance.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For the estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.