

Traveling expenses

(See also: Meals and lodging)

490.1 Accounting to employer; credit cards.

Charging the employer's account through the use

incurred by an employee traveling on behalf of the employer, the vendor's submission of bills for such charges directly to the employer, and payment of the bills by the employer without requiring any showing from the employee as to the business nature and amount of the expenses, does not meet the requirements for accounting by the

employee to the employer of such expenses. §1.162-1. (Sec. 162, '86 Code.)

Rev. Rul. 59-410, 1959-2 C.B. 64; Rev. Rul. 62-1, 1962-1 C.B. 22.

490.2 Accounting to employer; group of employees. Where an employer reimburses one employee for transportation and travel expenses to be incurred by several employees in connection with a particular business trip, such individuals need not report their allocable portion of the direct or indirect payment in their income tax return provided (1) the employee receiving the money properly accounts to the employer by submitting the same detailed information as would have been required of each individual submitting his own separate accounting, and (2) the total of the amount received directly or indirectly equals the total of the business transportation and travel expenses. §§1.162-17, 1.274-5. (Secs. 162, 274; '86 Code.)

Rev. Rul. 66-78, 1966-1 C.B. 38.

490.3 Accounting to employer; information required. The type of information which an employee must submit to his employer to constitute an adequate accounting to the employer for purposes of the reporting and substantiation of traveling and other business expenses of employees, and accounting procedures which will be considered adequate for such purposes, are set forth. §1.162-17. (Sec. 162, '86 Code.)

Rev. Rul. 60-120, 1960-1 C.B. 83.

490.4 Alien; tax home. A citizen of a foreign country, who comes to the U.S. under a six-month visa to work for a U.S. employer with the intention of resuming his regular employment in his native land after this period, is a nonresident alien whose "tax home" remains in his native country and may deduct necessary traveling expenses including meals and lodging under section 162(a) of the Code. However, when the individual agrees to continue his U.S. employment for an additional period and performs certain other acts he becomes, as of that date, a resident alien whose tax home is the location of his employment and he may not deduct traveling expenses unless he is away from this tax home overnight. Clarified by Rev. Rul. 83-82. §§1.1-1, 1.162-2, 1.864-2, 1.871-1, 1.873-1. (Secs. 1, 162, 864, 871, 873; '86 Code.)

Rev. Rul. 73-578, 1973-2 C.B. 39.

490.5 Alien; tax home; trainee with U.S. company. A maintenance allowance received from a U.S. business firm by a nonresident alien, a foreign university degree candidate in the U.S. during his summer vacation under an on-the-job training program intended to supplement his education but not required by the university in his native the U.S. has no tax treaty, does not qualify as a scholarship or fellowship grant and is compensation for services includible in gross income. The remuneration received constitutes income effectively connected with the conduct of his trade or business in the U.S., but his "tax home" is the location of his training, and travel expenses incurred in connection with the services performed for the U.S. firm are not deductible. §§1.61-1, 1.117-4, 1.162-2, 1.873-1. (Secs. 61, 117, 162, 873; '86 Code.)

Rev. Rul. 74-453, 1974-2 C.B. 19.

490.6 Armed Forces; per diem allowances. Per diem allowances in lieu of subsistence and mileage allowances received by members of the uniformed services of the U.S. while engaged in official travel status or on temporary assignment away from their permanent stations are includible in gross income. Expenses of transportation, and meals and lodging while in travel status should not be offset by their nontaxable basic subsistence and quarters allowances in computing the amount of such expenses which are deductible. Distin-

guished by Rev. Rul. 63-64. (Secs. 61, 162; '86 Code.)

Rev. Rul. 55-572, 1955-2 C.B. 45.

490.7 Armed Forces reservist; local transportation. Certain local transportation expenses which are incurred by reservists in attending drills may be deducted as a business expense in computing net income provided the optional standard deduction is not elected. §39.23(a)-1. (Sec. 23(a), '39 Code; Sec. 162, '86 Code.)

Rev. Rul. 55-109, 1955-1 C.B. 261.

490.8 Automobile costs; standard mileage rate. Procedures are set forth for use of an optional standard mileage rate by employees or self-employed individuals in computing deductible costs of operating passenger automobiles owned by them for business purposes or for use by taxpayers in computing transportation expenses relating to charitable contributions, medical expenses, or moving expenses. Rev. Procs. 80-7, 80-32, and 81-54 superseded. Modified by Rev. Proc. 83-74 §§1.62-1, 1.162-17, 1.170A-1, 1.213-1, 1.217-2, 1.274-5, 1.1016-3, 1.1031(a)-1. (Sec. 601.105, S.P.R.; Secs. 62, 162, 168, 170, 213, 217, 274, 1016, 1031, '86 Code.)

Rev. Proc. 82-61, 1982-2 C.B. 849.

490.9 Automobile costs; standard mileage rate. The optional standard mileage rate for the first 15,000 miles of business use of an automobile that is not fully depreciated is increased from 20 cents per mile to 20.5 cents per mile for 1983. Rev. Proc. 82-61 modified. §§1.162-17, 1.167(a)-1, 1.274-5. (Sec. 601.105, S.P.R.; Secs. 162, 167, 274, '86 Code.)

Rev. Proc. 83-74, 1983-2 C.B. 593.

490.10 Automobile costs; standard mileage rate. The optional standard mileage rate for the first 15,000 miles of business use of an automobile that is not fully depreciated will remain at 20.5 cents per mile for 1984. Rev. Proc. 82-61, as modified by Rev. Proc. 83-74, is further modified. §§1.162-17, 1.167(a)-1, 1.274-5. (Sec. 601.105; S.P.R.; Secs. 162, 167, 274, '86 Code.)

Rev. Proc. 84-72, 1984-2 C.B. 735.

490.11 Automobile costs; standard mileage rate. The optional standard mileage rate for the business use of an automobile for 1990 is increased from 25.5 cents a mile to 26 cents a mile. The procedure also sets forth rules for substantiation for expenditures for ordinary and necessary expenses of transportation whether or not traveling away from home. §§1.62-2T, 1.162-17, 1.274-5T, 1.1016-3. (Sec. 601.105, S.P.R.; Secs. 62, 162, 274, 1016, '86 Code.)

Rev. Proc. 89-46, 1989-2 C.B. 792.

490.12 Automobile expenses; standard mileage rate. The standard mileage rate for 1985 for the first 15,000 miles of business use of an automobile that is not fully depreciated will be 21 cents per mile and 11 cents per mile for business use in excess of 15,000 miles. The standard mile age rate is also set forth for transportation expenses incurred as moving expenses, in connection with obtaining medical care, or in rendering gratuitous services to a charitable organization. Rev. Proc. 82 by Rev. Procs. 83-74 and 84-72 is further modified. §§1.62-1, 1.162-17, 1.167(a)-1, 1.170A-1, 1.274-5, 1.1016-3. (Sec. 601.105, S.P.R.; Secs. 62, 162, 167, 170A, 274, 1016, '86 Code.)

Rev. Proc. 85-49, 1985-2 C.B. 716.

490.13 Automobile expenses; standard mileage rate. The standard mileage rate for 1986 for the first 15,000 miles of business use of an automobile that is not fully depreciated will be 21 cents per mile and 11 cents per mile for business use in excess of 15,000 miles. Rev. Proc. 82-61 modified. §§1.162-17, 1.167(a)-1, 1.274-5, 1.1016-3.

(Sec. 601.105, S.P.R.; Secs. 162, 167, 274, 1016, '86 Code.)

Rev. Proc. 86-38, 1986-2 C.B. 701.

490.14 Automobile expenses; standard mileage rate. The standard mileage rate for the first 15,000 miles of business use of an automobile that is not fully depreciated will be 24 cents per mile and 11 cents per mile for business use in excess of 15,000 miles. The amount attributable to depreciation is 10.5 cents per mile for 1988. Rev. Proc. 82-61, as modified by Rev. Procs. 83-74, 84-72, 85-49, 86-38, and 87-49, is further modified. §§1.162-17, 1.167(a)-1, 1.274-5T, 1.1016-3. (Sec. 601.105, S.P.R.; Secs. 162, 167, 274, 1016; '86 Code.)

Rev. Proc. 88-52, 1988-2 C.B. 711.

490.15 Away from home temporarily. Guidelines are provided for determining whether taxpayers are away from home temporarily for purposes of deducting travel expenses under section 162(a)(2) as amended by the Energy Policy Act of 1992. Rev. Rul. 83-82 obsoleted in part and Notice 93-29 amplified. §§1.162-2, 1.262-1. (Secs. 162, 262; '86 Code.)

Rev. Rul. 93-86, 1993-2 C.B. 71.

490.16 Baseball players. Baseball players, managers, coaches, and trainers can deduct travel expenses (including meals and lodging) while away from the "home club" town, in connection with their baseball duties. If any such person has another business too, he can also deduct expenses at the "home club" town if the other business is conducted in a different city which is his tax home. §39.23(a)-2. (Sec. 23(a), '39 Code; Sec. 162, '86 Code.)

Rev. Rul. 54-147, 1954-1 C.B. 51.

490.17 Business-vacation trip combined. Only that part of the expense of a trip (primarily for business) which is attributable to the taxpayer's business is deductible; that part which is properly allocable to incidental personal activities will be treated as nondeductible personal expenses. If the taxpayer's wife accompanies him, the amount by which the total expenses of accommodations at a single rate is increased because of her presence and the entire cost of her meals are not deductible. (Secs. 162, 262; '86 Code.)

Rev. Rul. 56-168, 1956-1 C.B. 93.

490.18 Commercial fishermen. Crew members of a commercial fishing boat may deduct the expenses actually incurred by them for travel, meals, and lodging when on a business trip requiring their absence from the home port for more than one day's work. Expenditures for protective clothing of a type not adaptable to general use are deductible. §§39.23(a)-1, 39.23(a)-2. (Sec. 23(a), '39 Code; Sec. 162, '86 Code.)

Rev. Rul. 55-235, 1955-1 C.B. 274.

490.19 Commuting. Revenue Ruling 76-453 set forth a change in the Service position on the treatment of certain commuting expenses. Announcement 77-147, 1977-42 I.R.B. 45, suspended indefinitely the effective date of that ruling thereby negating the revocation of Revenue Rulings 190 and 59-371, and the modification of Revenue Rulings 54-497, 55-109, 61-67, and 63-82. The digests of Revenue Rulings 190 and 59-371 are repeated below. A worker employed for a temporary period on a construction project away from the area in which he is regularly employed may deduct, in computing adjusted gross income, his actual expenses incurred for daily transportation between his principal or regular place of employment and the project location. (Secs. 62, 162, 3121, 3306, 3401, 6041; '86 Code.)

Rev. Rul. 190, 1953-2 C.B. 303. Any allowances or reimbursements paid to an employee to cover daily transportation expenses and expenses for meals and lodging will be subject to income tax withholding when (1) the employee has worked for a substantially continuous period of one year

Traveling expenses

in the project area; or (2) if, at the time the employee is hired, it is contemplated that his assignment or series of assignments in the area may continue for more than one year; or (3) if it becomes apparent at any time that the employee's services may reasonably be expected to continue in the area for more than one year. §1.162-1. (Secs. 162, 3401; '86 Code.)

Rev. Rul. 59-371, 1959-2 C.B. 236.

490.20 Construction workers. The employment of construction workers on projects some distance from their permanent residences for periods ranging from 8 1/2 to 20 1/2 months was not temporary but of an indefinite duration so they could not deduct as travel expenses amounts paid for meals and lodging away from home or transportation back to their residences upon termination of their employment. §39.23(a)-2. (Sec. 23(a), '39 Code; Sec. 162, '86 Code.)

Peurifoy, 358 U.S. 59, Ct. D. 1832, 1958-2 C.B. 916.

490.21 Construction workers. Guidelines are provided for United States citizens and nonresident aliens assigned to work in the U.S. for determining whether a work assignment away from the taxpayer's regular place of employment is considered temporary, so that travel, meals, and lodging expenses during the assignment are deductible. Rev. Rul. 60-189 amplified; Rev. Rul. 73-578 clarified. §§1.162-2, 1.262-1. (Secs. 162, 262; '86 Code.)

Rev. Rul. 83-82, 1983-1 C.B. 45.

490.22 Construction workers. The deductibility of traveling expenses incurred by taxpayers employed for various periods of time on construction work at points distant from the places where they maintain their residences and usually work or make their employment contacts is discussed. Amplified by Rev. Rul. 83-82. §§1.62-1, 1.162-1, 1.262-1. (Secs. 62, 162, 262; '86 Code.)

Rev. Rul. 60-189, 1960-1 C.B. 60.

490.23 Construction workers; commuting expenses. The Service will not follow the *Frederick* decision, which held that daily commuting expenses incurred over a three-year period by a construction worker who reasonably expected to be laid off when winter came were ordinary and necessary business expenses. §1.162-2. (Sec. 162, '86 Code.)

Rev. Rul. 80-333, 1980-2 C.B. 60.

490.24 Conventions or meetings. A taxpayer who attends a convention or meeting as an appointed or elected delegate does not, merely because of that status, become entitled to deduct expenses incurred in connection with his attendance at such convention. In order to be deductible, the expenses must be incurred in carrying on the taxpayer's own trade or business activities as distinguished from those of another taxpayer or entity. Clarified by Rev. Rul. 63-266. §1.162-2. (Sec. 162, '86 Code.)

Rev. Rul. 59-316, 1959-2 C.B. 57.

490.25 Conventions or meetings. The test for allowance of deductions for convention expenses provided in reg. 1.162-2(d) is met if the agenda of the convention or other meeting is so related to the taxpayer's position as to show that attendance was for business purposes. Rev. Rul. 59-316 is clarified to remove any implication of a requirement that the agenda of a convention or other meeting deal specifically with the official duties and responsibilities of the taxpayer's position in order for his convention expenses to be business connected and deductible as business expenses. §1.162-2. (Sec. 162, '86 Code.)

Rev. Rul. 63-266, 1963-2 C.B. 88.

490.26 Conventions or meetings; North American area. The U.S. Virgin Islands, Guam,

and American Samoa are part of the "North American area" as defined in section 274(h)(3)(A) for purposes of deduction business or income-producing expenses related to attending conventions in those places. (Sec. 274, '86 Code.)

Rev. Rul. 82-151, 1982-2 C.B. 75.

490.27 Conventions or meetings; North American area. All the geographical areas included in the North American area for purposes of section 274 of the Code are listed. §1.274-1. (Sec. 274, '86 Code.)

Rev. Rul. 87-95, 1987-2 C.B. 79.

490.28 Conventions or meetings; Puerto Rico. Expense incurred while attending conventions in the Commonwealth of Puerto Rico are not subject to the limitations on deductions for attending foreign conventions. §1.274-1. (Sec. 274, '86 Code.)

Rev. Rul. 78-23, 1978-1 C.B. 79.

490.29 Corporate officer. An officer who claims deductions for traveling and entertainment expenses incurred on behalf of a corporation must bear the burden of proof that he is entitled to such deductions. Reimbursement for such expenses or a corporate resolution requiring his assumption of such expenses would tend to indicate that they are necessary expenses of his office. However, the absence of such evidence would not of itself necessarily result in the disallowance of deductions. (Sec. 162, '86 Code.)

Rev. Rul. 57-502, 1957-2 C.B. 118.

490.30 Deductions; per-diem allowances; temporary v. indefinite employment. Taxpayer was transferred on a 90-day travel order to a new post of duty where he worked for 5 years under extensions of the initial assignment, receiving a per-diem allowance in addition to his regular salary. After 10 weeks his assigned work was changed and his family joined him. *Held*, the first 10-weeks per-diem allowance is a deductible traveling expense while away from home. (Sec. 162, '86 Code.)

5. Leo M. Verner, 39 T.C. 749, Acq., 1963-2 C.B.

490.31 Disposition of property located in foreign country. Taxpayer is allowed to deduct the travel expenses incurred to Hungary in an unsuccessful attempt to sell veneers which he had been unable to sell through correspondence with prospective buyers in other countries and which were subsequently taken by the Hungarian government. (Sec. 23(a), '39 Code; Sec. 162, '86 Code.)

Dezso Goldner, 27 T.C. 455, Acq., 1957-2 C.B. 4.

490.32 Employee; assigned to work at widely scattered temporary locations. For purposes of the traveling expense deduction, the home of an employee who is assigned to work at widely scattered temporary locations is the fixed abode where he resides with his wife and children. §§1.62-1, 1.162-2, 1.262-1. (Secs. 62, 162, 262; '86 Code.)

Rev. Rul. 71-247, 1971-1 C.B. 54.

490.33 Employee; attending convention. Expenses incurred by employed individuals in attending conventions which are ordinary and necessary and directly related to their trade or business are deductible. §§39.22(n)-1, 1.62-1, 1.162-2. (Sec. 22(n), '39 Code; Secs. 62, 162, '86 Code.)

Rev. Rul. 60-16, 1960-1 C.B. 58.

490.34 Employee; automobile expenses; reimbursement relinquished. A corporate officer could not deduct as ordinary and necessary business expenses of earning his salary, expenses incurred by him for use of his personal automobile in the course of his duties for his employer, where he voluntarily gave up reimbursement that he was

entitled to receive and could have received if he had claimed it, and where it was not shown that his salary was affected by his self-promulgated oral role of not claiming reimbursement. §§39.23(a)-1, 1.162-1. (Sec. 23(a), '39 Code; Sec. 162, '86 Code.)

Heidt, 274 F. 2d 25, Ct. D. 1845, 1960-1 C.B. 683.

490.35 Employee; handicapped; helpers. Examples are given of situations where amounts paid by handicapped taxpayers for travel, meals, and lodging for related and unrelated helpers who must perform certain services for them on business trips are considered business expenses under section 162, medical expenses under 213, or non-deductible personal expenses under section 262. §§1.162-2, 1.213-1. (Secs. 162, 213; '86 Code.)

Rev. Rul. 75-317, 1975-2 C.B. 57.

490.36 Employee; inventor; trips to tool shop. A mechanical engineer who was employed to invent an automatic hospital bed may deduct as travel expenses trips to and from a tool shop located apart from his normal place of employment to utilize large tooling equipment that was unavailable at either the employer's plant or at taxpayer's home. (Sec. 162, '86 Code.)

William T. Downs, 49 T.C. 533, Acq., 1968-2 C.B. 2.

490.37 Employee; student attending corporation's institute. An individual employed by a corporation spends part of his time in attendance at the corporation's educational institute for specialized training. Such an individual is in the same situation as are other students employed on a part-time basis who must travel between their homes or places of employment and school. Travel expenses incurred in so doing are personal expenses. (Sec. 262, '86 Code.)

Rev. Rul. 57-484, 1957-2 C.B. 113.

490.38 Employee; travel status; meals and lodging. Principles are set forth that are applicable in determining, under various factual situations, an employee's deductible expenses for meals and lodging incurred while traveling on business. Rev. Rul. 54-497 superseded in part. §§1.62-1, 1.162-2, 1.262-1, 1.274-5. (Secs. 62, 162, 262, 274; '86 Code.)

Rev. Rul. 75-432, 1975-2 C.B. 60.

490.39 Employment seeking expenses. Expenses incurred by an individual in seeking new employment in the employee's continuing trade or business are deductible as business expenses even though new employment was not obtained. This Revenue Ruling will not be applied to fees paid to secure employment in the case of situations similar to those in Rev. Ruls. 60-223 and 71-308 before April 21, 1975. Rev. Ruls. 60-223, 70-396, and 71-308 revoked. Clarified by Rev. Rul. 77-16. §§1.162-1, 1.212-1, 1.262-1, 301.7805-1. (Secs. 162, 212, 262, 7805; '86 Code.)

Rev. Rul. 75-120, 1975-1 C.B. 29; Leonard F. Cremona, 58 T.C. 219, Acq., 1975-1 C.B. 1.

490.40 Employment seeking expenses. Travel and transportation expenses incurred by an individual in seeking new employment in the same trade or business are deductions in computing adjusted gross income; the expenses of typing, printing, and mailing a resume are allowable as itemized deductions. Rev. Rul. 75-120 clarified. §§1.62-1, 1.162-1. (Secs. 62, 162; '86 Code.)

Rev. Rul. 77-16, 1977-1 C.B. 37.

490.41 Federal employee; president of union representing fellow employees. An employee of a federal agency may not deduct expenses incurred in running for president of a union representing the employees of the agency. The employee, as president of the union, may deduct expenses incurred in representing or assisting

employees in presenting grievances before the agency. §1.162-1. (Sec. 162, '86 Code.)

Rev. Rul. 83-181, 1983-2 C.B. 39.

490.42 Federal employee; privately owned airplane; official business. Expenses incurred by a Federal Government employee in operating his privately owned airplane on official business are deductible as business expenses. Such expenses include depreciation on the airplane to the extent allocable to business use. §§1.162-1, 1.167(a)-1. (Secs. 162, 167; '86 Code.)

Rev. Rul. 70-558, 1970-2 C.B. 35.

490.43 Federal employee; representing fellow employee. A Federal employee who represented a fellow employee in the presentation of a complaint filed with the employer was acting within the scope of his employment and expenses for transportation, handbooks, manuals, and the reproduction of documents incurred in connection with the preparation of the complainant's case are deductible as business expenses. §1.162-1. (Sec. 162, '86 Code.)

Rev. Rul. 74-514, 1974-2 C.B. 41.

490.44 Federal employee; unreimbursed expenses of travel to receive award. Substantiated unreimbursed travel expenses incurred by a Federal official in connection with his receipt of a nongovernment organization's award, which had no intrinsic value, for his performance of official duties are deductible as business expenses. §§1.162-2, 1.274-5. (Secs. 162, 274; '86 Code.)

Rev. Rul. 74-208, 1974-1 C.B. 41.

490.45 Foreign service member on home leave. A member of the United States foreign service may deduct substantiated "home leave" expenses as business traveling expenses. Rev. Rul. 613-513 revoked. §§1.162-2, 1.262-1. (Secs. 162, 262; '86 Code.)

Rev. Rul. 82-2, 1982-1 C.B. 27.

490.46 Fulbright grantee. Taxpayer, on sabbatical leave from a teaching post in the U.S., rented his house and took his family to Japan, where he lectured under a Fulbright grant, changing teaching posts prior to returning to the U.S. *Held*, taxpayer was away from home in pursuit of his teaching profession and was entitled to deduct traveling expenses. (Sec. 162, '86 Code.)

Laurence P. Dowd, 37 T.C. 399, Nonacq., 1963-1 C.B. 5.

490.47 Grantee under Fulbright and Smith-Mundt Acts. Amounts received by an American citizen under the so-called Fulbright and Smith-Mundt Acts, to lecture at a foreign university, are not scholarship or fellowship grants but represent compensation for services includable in gross income. The value of transportation furnished in kind and any cash advanced to cover transportation expenses are also includable in gross income. However, traveling expenses, including meals and lodging on the round trip to and from the university and during his stay there are deductible. §§1.61-2, 1.62-1, 1.117-1, 1.162-1, 1.262-1, 1.911-1. (Secs. 61, 62, 117, 262, 911; '86 Code.)

Rev. Rul. 62-2, 1962-1 C.B. 9.

490.48 Home; executive training participant. An employee who participated in a 12-month executive training program at various offices throughout the country pending reassignment in a new location was away from home and could exclude from gross income a per diem allowance paid by the employer. §§1.162-1, 1.274-5. (Secs. 162, 274, 3401; '86 Code.)

Rev. Rul. 80-212, 1980-2 C.B. 58.

490.49 Home; test. Factors are set forth that may be used to determine whether a taxpayer has a "home" in the form of a regular place of abode in a real and substantial sense or whether he is an itinerant, and situations are presented that distin-

guish the circumstances under which these factors will and will not be recognized as having been satisfied. §§1.62-1, 1.162-2, 1.262-1. (Sec. 23(a), '39 Code; Secs. 62, 162, 262, '86 Code.)

Rev. Rul. 73-529, 1973-2 C.B. 37; Charles G. Gustafson, 3 T.C. 998, Nonacq., Irving M. Sapson, 49 T.C. 636, Acq., 1973-2 C.B. 4, 3.

490.50 Indefinite suspension of trade or business. Expenses incurred by an anesthesiologist for the maintenance of professional skills and medical equipment during a period when the anesthesiologist suspended practice indefinitely due to increased rates for malpractice insurance coverage are not deductible as trade or business expenses. §§1.162-1, 1.162-2, 1.162-5, 1.162-6. (Sec. 162, '86 Code.)

Rev. Rul. 77-32, 1977-1 C.B. 38.

490.51 Independent contractor; information return. A payor is not required to file an information return to report amounts paid to an independent contractor for travel expenses that were substantiated to the payor. Rev. Rul. 77-474 amplified. §§1.274-5, 1.604-3. (Secs. 274, 6041; '86 Code.)

Rev. Rul. 84-151, 1984-2 C.B. 247.

490.52 Industrial insurance debit agents. Industrial insurance debit agents employed by insurance companies to collect, service and sell weekly and monthly insurance policies are not considered to be "outside salesmen." Amplified to provide that in determining adjusted gross income, such agents may deduct local transportation and travel expenses incurred in connection with their employment. Other ordinary and necessary business expenses are deductible in computing taxable income. §1.162-1, 1.162-17. (Secs. 62, 162; '86 Code.)

Rev. Rul. 58-175, 1958-1 C.B. 28; Rev. Rul. 59-396, 1959-2 C.B. 29.

490.53 Investor; attending investment seminar. Travel expenses incurred by an investor for a seven-day trip to a resort area, which included two days of investment seminars, are not deductible under section 212. §§1.162-2, 1.212-1, 1.262-1. (Secs. 162, 212, 262; '86 Code.)

Rev. Rul. 84-113, 1984-2 C.B. 60.

490.54 Investor; attending stockholder meetings. Transportation and incidental expenses incurred by a stockholder in attending meetings of companies in which he owns stock but has no other interest therein are nondeductible personal expenses. He is not carrying on a trade or business and a business expense deduction is precluded, neither are such expenses sufficiently related to investment activities to warrant their deduction as expenses incurred for the production of income. (Secs. 162, 212, 262; '86 Code.)

Rev. Rul. 56-511, 1956-2 C.B. 170.

490.55 Job Corps enrollee. The value of transportation furnished to a Job Corps enrollee by the U.S. upon completion of his training is includable in gross income; however, he may be entitled to a moving expense deduction. §1.61-1, 1.217-1. (Secs. 61, 217; '86 Code.)

Rev. Rul. 70-198, 1970-1 C.B. 12.

490.56 Limitations; effective January 1, 1987 Guidance is provided relating to the limitation of the deduction for meal, travel, and entertainment expenses as enacted by the Tax Reform Act of 1986.

Notice 87-23, 1987-1 C.B. 467.

490.57 Long line truck drivers. The principles set forth in Rev. Rul. 54-497, concerning the deductibility and substantiation of traveling and related expenses incurred by railroad employees, are equally applicable to long line truck drivers who incur expenses for meals and lodging while away from their home terminal in the pursuit of

their trade or business. The cost of meals purchased within the general locality of their principal post of duty are non deductible living expenses. §39.23(a)-2. (Sec. 23(a), '39 Code; Sec. 162, '86 Code.)

Rev. Rul. 55-236, 1955-1 C.B. 274.

490.58 Member of Congress; allowances; discharge of official duties. The tax treatment of allowances and reimbursements made under the Regulations and Accounting Procedures for Allowances and Expenses of Committees, Members and Employees of the United States House of Representatives for use in the discharge of official and representational duties is set forth. §§1.61-1, 1.162-17, 1.274-5. (Secs. 61, 162, 274; '86 Code.)

Rev. Rul. 77-323, 1977-2 C.B. 18.

490.59 Member of Congress; expenses of moving to and living in Washington D.C. A new congressman may deduct under section 217 the moving expenses incurred in moving from his home State to Washington, D.C. and may also, in the same year, deduct under section 162(a) his living expenses not in excess of \$3000. However, the same expenses may not be deducted under both section 217 and section 162(a). §§1.162-2, 1.217-2. (Secs. 162, 217; '86 Code.)

Rev. Rul. 73-468, 1973-2 C.B. 77.

490.60 Member of Congress; rent; apartment within realigned Congressional district. An apartment rented by a Member of Congress within his newly realigned district which is his only residence within such district must be considered his home. Accordingly, the rent paid for the apartment is not a deductible business expense incurred while traveling away from home but is a nondeductible personal, living, or family expense. §§1.162-2, 1.262-1. (Secs. 162, 262; '86 Code.)

Rev. Rul. 68-12, 1968-1 C.B. 96.

490.61 Mileage rate; automobile; husband and wife; individual businesses. A husband and wife who operate their jointly owned automobile in their individual businesses for a combined total of more than 15,000 miles in a taxable year may use the standard mileage rate of fifteen cents a mile only for the first 15,000 miles whether they file joint or separate income tax returns. §1.162-1. (Sec. 162, '86 Code.)

Rev. Rul. 77-147, 1977-1 C.B. 41.

490.62 Per diem allowance; Federal employee; university career development program. Fixed per diem allowances paid in lieu of subsistence by government agencies to employees while away from home participating in a full-time university career development program satisfy the requirements for substantiation and accounting to an employer. §1.274-5. (Sec. 274, '86 Code.)

Rev. Rul. 69-260, 1969-1 C.B. 92.

490.63 Per Diem allowances. This procedure provides rules under which the amount of ordinary and necessary business expenses of an employee for lodging, meals, and/or incidental expenses incurred while away from home will be deemed substantiated when a payor provides a reimbursement or other expense allowance to pay for such expenses. It also provides an optional method for employees and self-employed individuals to use in computing the deductible costs of business meals and incidental expenses paid or incurred while traveling away from home. Rev. Proc. 93-21 superseded. §§1.62-2, 1.162-17, 1.267(a)-1, 1.274-1T, 1.274(d)-1. (Sec. 601.105, S.P.R.; Secs. 62, 162, 267, 274, '86 Code.)

Rev. Proc. 93-50, 1993-2 C.B. 586

490.64 Postmaster on temporary military duty; automobile expenses. A postmaster, granted leave to attend temporary military duty with the understanding that he would be responsible for the operation of the post office, incurred automobile expenses for the weekend round trips

Traveling expenses

between the military base and the post office. *Held*, the weekend travel was due to the exigencies of the postmaster business and expenses therefore are ordinary and necessary. (Sec. 162, '86 Code.)

Arthur C. Puckett, Jr., 56 T.C. 1092, Acq., 1971-2 C.B. 3.

490.65 Race track parimutuel calculator. A parimutuel calculator who maintained a residence in a city and worked in a local race track 38 days a year, but worked at tracks in other cities for the remainder of the year, could deduct expenses incurred for meals, travel, and lodging while away from the city of his residence. (Sec. 23(a), '39 Code; Sec. 162, '86 Code.)

Alois Joseph Weidekamp, 29 T.C. 16, Acq. in result, 1958-2 C.B. 8.

490.66 Reimbursements; labor union convention. Amounts paid by an international labor union to reimburse delegates from local chapters for expenses of traveling away from home to attend the annual convention are not includable in gross income, and no deduction is allowable for the reimbursed expenses even though reimbursement is received in a later year. Amounts received by the delegates as reimbursement for lost salary are includable in gross income. Rev. Rul. 78-209 modified and superseded. §§1.61-1, 1.62-2. (Secs. 61, 162, 3121, 3306, 3401; '86 Code.)

Rev. Rul. 80-348, 1980-2 C.B. 31.

490.67 Reimbursements; political fund-raising event; state government employee. Reimbursement made by a political organization to an appointed state government employee for travel expenses incurred in attending and addressing a political fund-raising event is not includable in the individual's gross income to the extent such reimbursement does not exceed actual expenses. §1.61-1. (Sec. 61, '86 Code.)

Rev. Rul. 80-99, 1980-1 C.B. 10.

490.68 Reimbursements; wife with husband on speaking engagements. Where an individual accepts invitations to address various organizations throughout the country, and such acceptance is conditioned upon reimbursement of both his own and his wife's traveling expenses, although she performs no services incident to the purpose of the trip, the traveling expenses incurred on behalf of his wife are nondeductible personal expenses. Further, the reimbursement received for his wife's traveling expenses result in taxable income. §§1.61-1, 1.162-2, 1.262-1. (Secs. 61, 162, 262; '86 Code.)

Rev. Rul. 64-9, 1964-1 (Part 1) C.B. 65.

490.69 Sabbatical leave. Moving expenses incurred by a university professor who went on a ten-month sabbatical leave for postdoctoral research training are not deductible under section 217; however, expenses for travel, meals, and lodging incurred during such period are deductible under section 162. §§1.162-2, 1.217-2. (Secs. 162, 217; '86 Code.)

Rev. Rul. 74-242, 1974-1 C.B. 69.

490.70 Services for charitable organization; per diem allowance. A per diem travel expense allowance received by an individual performing gratuitous services for a charitable organization is includable in gross income to the extent it exceeds actual travel expenses; expenditures in excess of the allowance received are deductible as charitable contributions. §§1.61-1, 1.170-2. (Secs. 61, 170; '86 Code.)

Rev. Rul. 67-30, 1967-1 C.B. 9.

490.71 Sleep or rest; layover period. A truck driver employed to haul loads on round trips of several hundred miles may deduct as traveling expenses nonreimbursed costs incurred for meals and lodging during layovers of approximately eight hours for which period his employer tacitly agreed to release him from his duties to obtain nec-

essary sleep or rest. However, the costs incurred for meals during layovers of approximately one-half hour are not deductible. Rev. Rul. 63-239 superseded. §§1.162-2, 1.274-5. (Secs. 162, 274; '86 Code.)

Rev. Rul. 75-168, 1975-1 C.B. 58.

490.72 Sleep or rest; layover period; railroad employees. Railroad employees who on arrival at "away from home" terminals are released from service for sufficient time to obtain substantial sleep or rest before starting their return trips may deduct as traveling expenses their costs of meals and lodging. The provisions of reg. 1.274-5 apply to the substantiation of deductions for the costs of meals and lodging and also to the treatment of allowances received by the employees for expenses. I.T. 3395 and Rev. Rul. 61-221 superseded. §§1.162-2, 1.274-5. (Secs. 162, 274; '86 Code.)

Rev. Rul. 75-170, 1975-1 C.B. 60.

490.73 Sleep or rest rule. A taxpayer who makes daily trips that do not require him to stop for either sleep or rest is not "away from home" and is not entitled to a deduction for the cost of meals as a business expense. The Commissioner's interpretation of the statutory phrase "away from home" has achieved ease and certainty of application and also substantial fairness, for the sleep or rest rule places all one-day travelers on a similar tax footing. §§1.162-1, 1.262-1. (Secs. 162, 262; '86 Code.)

Correll, 389 U.S. 299, Ct. D. 1917, 1968-1 C.B. 64.

490.74 Speaker; information return. A corporation that invited a nonemployee to speak to its employees and paid \$500 for the speaking engagement and \$150 for traveling expenses, for which the individual did not account, is required to file an information return reporting the aggregate amount paid. §§1.274-5, 1.6041-1. (Secs. 274, 6041; '86 Code.)

Rev. Rul. 77-474, 1977-2 C.B. 463.

490.75 State legislator. A State legislator may have two separate posts of duty, one his principal post and the other his minor. In such cases, the cost of meals and lodging while on overnight business trips from his principal post are deductible. If an overnight business trip is made to his minor post where he maintains his family residence, the deduction is limited to expenses for meals and lodging attributable to the performance of his official duties. Transportation costs for business purposes between the two posts are deductible. Modified by Rev. Rul. 76-453. I.T. 3842 modified. §§1.62-1, 1.162-2. (Secs. 62, 162; '86 Code.)

Rev. Rul. 61-67, 1961-1 C.B. 25.

490.76 State legislator; home in district. Deductible travel expenses are explained for a state legislator who elects under section 162(i) to have his or her place of residence within there presented legislative district considered his or her tax home. Rev. Rul. 79-16 superseded. §1.162-2. (Sec. 162, '86 Code.)

Rev. Rul. 82-33, 1982-1 C.B. 28.

490.77 State supreme court justice. A state supreme court justice may have two business locations or posts of duty, a principal post in his city of residence where he spends approximately 200 days per year performing official judicial duties and a minor post in the state capital where he spends 50 to 60 days per year attending formal court sessions. Therefore, expenses incurred while attending court sessions in the state capital for meals and lodging while on overnight trips and the cost of transportation, whether overnight or not, are deductible as business expenses. Modified by Rev. Rul. 76-453. §§1.62-1, 1.162-2, 1.274-5. (Secs. 62, 162, 274; '86 Code.)

Rev. Rul. 63-82, 1963-1 C.B. 33.

490.78 Substantiation; mileage allowances. Under prescribed conditions, a mileage allowance arrangement using more than one measure of reimbursement for employees' transportation expenses may be considered to be a fixed mileage allowance and the employees will be deemed to have substantiated and adequately accounted to their employer with respect to such expenses. §§1.162-17, 1.274-5. (Secs. 162, 274; '86 Code.)

Rev. Rul. 67-29, 1967-1 C.B. 42.

490.79 Substantiation; per diem and mileage allowance. An employee who is reimbursed 8 cents a mile for transportation expenses plus \$20 a day for meals and lodging may not elect to take a separate deduction of 12 cents a mile for transportation without accounting for the total of his business expenses and his total reimbursement. In computing his total business expenses the employee may compute his transportation expenses using the standard mileage rate. §§1.162-17, 1.274-5. (Secs. 162, 274; '86 Code.)

Rev. Rul. 73-191, 1973-1 C.B. 151.

490.80 Substantiation; pickup truck or van; nonpersonal use. Guidelines are set forth to determine whether a pickup truck or van meets the definition of a "qualified nonpersonal use vehicle." §§1.132-5T, 1.274-5T. (Secs. 132, 274; '86)

Rev. Rul. 86-97, 1986-2 C.B. 42.

490.81 Substantiation; railroad employee. Principles applicable to railroad employees and other employees similarly situated in (1) the substantiation of deductions claimed by an individual for traveling expenses, (2) the determination of whether a taxpayer is in travel status, and (3) the deductibility of automobile and other transportation expenses incurred by an employee. Modified by Rev. Rul. 63-145 with respect to laundry and transportation expenses. Modified by Rev. Ruls. 75-169 and 76-453; superseded in part by Rev. Rul. 75-432. §§39.22(n)-1, 39.23(a)-2. (Secs. 22(n), 23(a), '39 Code; Secs. 162, 167, '86 Code.)

Rev. Rul. 54-497, 1954-2 C.B. 75.

490.82 Substantiation; reimbursement; mileage allowances. With respect to expenses paid or incurred after 1982, mileage allowances not exceeding 20.5 cents per mile for transportation paid by employers to employees will satisfy the substantiation and adequate accounting requirements of section 1.162-17(b) and 1.274-5. Rev. Rul. 80-62, by Rev. Rul. 80-203, is further modified. §§1.162-17, 1.274-5. (Secs. 162, 274; '86 Code.)

Rev. Rul. 84-51, 1984-1 C.B. 90.

490.83 Substantiation; reimbursement; mileage allowances. For expenses paid or incurred after 1986, mileage allowances not exceeding 22.5 cents per mile for transportation paid by employers to employees will satisfy the substantiation and adequate accounting requirements of sections 1.162-17(b) and 1.274-5 of the regulations. Rev. Rul. 80-62, as modified by Rev. Ruls. 80-203, 84-51, and 85-155, is further modified. §§1.162-17, 1.274-5. (Secs. 162, 274; '86 Code.)

Rev. Rul. 87-93, 1987-2 C.B. 81.

490.84 Substantiation; reimbursement; mileage allowances. With respect to expenses paid or incurred after 1984, mileage allowances not exceeding 21 cents per mile for transportation paid by employers to employees will satisfy the substantiation and adequate accounting requirements of regs. 1.162-17(b) and 1.274-5. Rev. Rul. 80-62 as modified by Rev. Ruls. 80-203 and 84-51, is further modified. §§1.162-17, 1.274-5. (Secs. 162, 274; '86 Code.)

Rev. Rul. 85-155, 1985-2 C.B. 89.

490.85 Substantiation; reimbursement of per diem and mileage allowances. With respect to expenses paid or incurred after 1978, reimbursement arrangements or per diem allowances for travel away from home not exceeding the greater

of \$44 per day, or the maximum authorized to be paid by the Federal Government in the locality in which the travel is performed, and a mileage allowance not exceeding 18.5 cents per mile for transportation paid by employers to employees will satisfy the substantiation and adequate accounting requirements of regs. 1.162-17(b) and 1.274-5. Rev. Ruls. 74-433 and 77-410 superseded. With respect to expenses paid or incurred after 1979, mileage allowances not exceeding 20 cents per mile will satisfy the requirements. §§1.162-17, 1.274-5. (Secs. 162, 274; '86 Code.)
Rev. Rul. 80-203, 1980-2 C.B. 101.

490.86 Substantiation; trade or business deductions. Principles are set forth that are applicable in resolving problems concerning the substantiation of deductions claimed by individuals for traveling expenses. Rev. Rul. 54-497 modified. §1.162-2, 1.162-17, 1.274-5. (Secs. 162, 274; '86 Code.)
Rev. Rul. 75-169, 1975-1 C.B. 59.

490.87 Substantiation; trade or business; guidelines. Questions and answers set forth the principal requirements of the regulations relating to the substantiation of business expenditures for travel, entertainment, and gifts. §§1.274-1, 1.274-5. (Sec. 274; '86 Code.)
Rev. Proc. 63-4, 1963-1 C.B. 474; Rev. Rul. 63-144, 1963-2 C.B. 129

490.88 Teachers; sabbatical leave. The traveling expenses of teachers on sabbatical leave will be deductible as business expenses only if and to the extent that the travel is directly related to the duties of the teacher in his teaching profession, due consideration being given to the normal duties of that position. Rev. Rul. 55-412 revoked. §§1.162-5, 1.262-1, 1.274-5. (Secs. 162, 262, 274; '86 Code.)
Rev. Rul. 64-176, 1964-1 (Part 1) C.B. 87.

490.89 Teachers; travel abroad. A husband and wife, both public high school teachers, traveled to France. Their itinerary emphasized sites of historical and cultural significance. *Held*, travel expenses attributable to the wife, a teacher of world history, were deductible; those of her husband, a Latin teacher, were not deductible. (Sec. 162; '86 Code.)
Stanley Marlin, 54 T.C. 560, Acq., 1970-2 C.B. xx.

490.90 Temporary Federal service. An individual who renders temporary or intermittent services to the Government for a nominal sum while engaged in private employment, receiving a per diem allowance that must be included in income, may deduct his travel expenses including meals and lodging provided the sleep and rest rule is met and he can substantiate the amount, time, and business purpose for each expense. However, if his private employment has been severed or the duration of his services at a particular location will exceed a period that can reasonably be considered temporary, no deduction will be allowed. G.C.M. 23672 superseded. §1.162-2, 1.262-1. (Secs. 162, 262, '86 Code.)
Rev. Rul. 74-291, 1974-1 C.B. 42.

490.91 Temporary or minor post of duty; laundry and transportation. A taxpayer may deduct as traveling expenses reasonable expenditures for laundry (including cleaning and pressing) and for transportation between a place of lodging and a place of business at a temporary or minor post of duty, for taxable years ending after 1962. Rev. Rul. 54-497 modified. §§1.162-2, 1.274-5. (Secs. 162, 274; '86 Code.)
Rev. Rul. 63-145, 1963-2 C.B. 86.

490.92 Textbooks and visual aids; development costs. Costs incurred by an accrual basis taxpayer in writing, editing, design and art work directly attributable to the development of text-

books and visual aids are capital expenditures. The Service will not follow the decision in *Stern* holding that a taxpayer, in the business of writing books, may deduct traveling expenses incurred while researching, writing, and arranging material for a book. Note: See Sec. 2119 of Pub. L. 94-155, 1976-3 C.B. (Vol. 1) 388. §§1.165-1, 1.167(a)-1, 1.174-2, 1.263(a)-2, 1.471-1. (Secs. 165, 167, 174, 263, 471; '86 Code.)
Rev. Rul. 73-395, 1973-2 C.B. 87.

490.93 Theological student as assistant pastor. Amounts received by students of a theological seminary from a parish congregation during the year they are assigned and are required to spend in church work as part-time or assistant pastors are compensation for services rendered and are not excludable from gross income as scholarship or fellowship grants. Further, the value of board and room, if furnished, and traveling expenses are includable in their gross income. §1.117-2. (Secs. 61, 117; '86 Code.)
Rev. Rul. 57-522, 1957-2 C.B. 50.

490.94 Travel abroad; convention of local professional association. A taxpayer attended the annual convention of a local professional association, which was held in a foreign country, and spent the major portion of the time abroad in recreational activities. Expenses for travel and transportation and expenses not directly related to the attendance of business seminars offered at the convention are not deductible. §§1.162-2, 1.274-1. (Secs. 162, 274; '86 Code.)
Rev. Rul. 79-425, 1979-2 C.B. 81.

490.95 Travel abroad; developing foreign markets for existing business. Traveling expenses, including a reasonable amount for meals and lodging, incurred in traveling abroad to develop foreign markets for an existing business are deductible as business expenses. §§1.162-2, 1.274-4, 1.274-5. (Secs. 162, 274; '86 Code.)
Rev. Rul. 64-42, 1964-1 (Part 1) C.B. 86.

490.96 Travel abroad; professional seminars; doctors. Travel expenses incurred by a doctor on a trip which combined vacation travel abroad with attendance at brief professional seminars in each of the countries visited are not deductible business expenses but are nondeductible personal expenses under section 262. §§1.162-2, 1.262-1. (Secs. 162, 262; '86 Code.)
Rev. Rul. 74-292, 1974-1 C.B. 43.

490.97 Travel abroad; university's continuing education program. Expenses incurred in connection with a university's continuing education program that combines foreign travel with attendance at brief education-oriented conferences are non-deductible personal expenses, except to the extent that they are for registration fees and any other expenses incurred that are directly attributable and properly allocable to the taxpayer's trade or business, subject, where applicable, to the provisions of sections 274(d) and 274(h). §1.162-5. (Sec. 162; '86 Code.)
Rev. Rul. 84-55, 1984-1 C.B. 29.

490.98 Travel expenses; reimbursement; mileage allowances. For expenses paid or incurred after 1987, mileage allowances not exceeding 24 cents per mile for local travel or transportation paid by employers to employees will satisfy the substantiation and adequate accounting requirements of section 1.274-5T. Rev. Rul. 80-62, as modified by Rev. Ruls. 80-203, 84-51, 85-155, and 87-93, is further modified. §1.274-5T. (Sec. 274; '86 Code.)
Rev. Rul. 88-92, 1988-2 C.B. 39.

490.99 Trip for employment interview; allowances or reimbursements. Allowances or reimbursements made to individuals by a prospective employer for expenses, such as transportation, meals and lodging, incurred in connection

with interviews for possible employment, which are conducted at the invitation of the prospective employer, are not includable in the individual's gross income to the extent they do not exceed the expenses incurred. Further, such amounts are not wages for employment tax purposes. §1.61-1. (Sec. 61; '86 Code.)
Rev. Rul. 63-77, 1963-1 C.B. 177.

490.100 Verification of deductions. Guides to be used by Internal Revenue officers in determining, in accordance with commonly-recognized business practices, the allowability and also the amount of travel, entertainment and other business expenses. §39.23(a)-1. (Sec. 23(a); '39 Code; Sec. 162; '86 Code.)
Rev. Rul. 54-195, 1954-1 C.B. 47.

490.101 Wife with husband on business trip. Amounts expended by a taxpayer for the purpose of having his wife accompany him on a business trip or to a business convention represent nondeductible personal expenses unless it can be shown that the presence of the wife on such a trip has a bona fide business purpose. §§39.23(a)-1, 39.24(a)-1. (Secs. 23(a), 24(a); '39 Code; Secs. 162, 262; '86 Code.)
Rev. Rul. 55-57, 1955-1 C.B. 315.