

# How to Deduct Travel Expenses

## Part II of II – Odds and Ends

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Did last month's article inspire you to book a flight through Barkley Airport? I sure hope so! As promised, I've got other ways to deduct flights, plus other travel, whether for charity, education, or medical.

### **Charity-Related Travel**

For charitable travel to be deductible, it must be undertaken for a "qualified organization". These include churches, the government, and entities that have been approved for tax exemption by the IRS.

You can claim a charitable contribution deduction for necessary travel expenses you incur while away from home performing services for a qualified organization, but only if the main purpose of the trip is for the charity, and not personal. You can either pay the expenses yourself, or give the money to the organization and let them pay for your expense. By the way, even if you enjoy the trip, you can take the deduction if you are serving in a genuine and substantial sense throughout the trip.

If you are required to wear a uniform (pink ladies at the hospital come to mind), you can deduct their cost and the cost of cleaning them. The uniforms have to be required as part of your volunteer work and unsuitable for street wear.

You can deduct 14 cents per mile for travel for a charitable purpose. This may not seem like much, but it can add up if you do a lot of driving for organizations that do not reimburse you for your trips. Here are some ideas for deductions:

- Volunteering with your church to drive children to youth camp, retreats, etc.
- Travel to choir practice that is separate from your travel to attend worship
- Driving as a chaperone for scouting trips
- Using your car for meals-on-wheels delivery for senior citizens

Deductions for charity-related travel are an itemized deduction so you must itemize to use them.

### **Travel for Education Purposes**

If the actual cost of the classes is deductible, any travel you must take to get that education is also deductible. For education costs to be deductible, your education must either: (1) Maintain or improve skills required for your employment or other work; or (2) meet the stated requirements of your employer, or be required by law, or be imposed as a condition to your keeping your job, status, or rate of pay.

Being able to tie a travel deduction to education often means that you are somehow connecting it with your job. For example, travel for a course that is related to your job as an educator may be deductible, but only if the course either maintains or improves skills that you need for your job, or meets your employer's requirements or the requirements of applicable law or regulations to maintain your job or salary. If the education comes from the travel itself (for example, a trip to Germany to help a German teacher familiarize herself with the culture), it is usually not deductible. I say "usually" because I happen to know of at least one case in which the teacher won.

These rules explain why it is possible for professionals to deduct travel to really nice places to take continuing education courses. Although any extra cost for taking the spouse along is not deductible, the amount disallowed is only the differential. For example – if a room costs \$179 per person and \$20 for each extra person, \$179 is deductible.

If your education travel is employee-related, you must itemize to take the deduction. These deductions are limited to amounts in excess of 2% of your adjusted gross income (AGI).

### **Medical Travel**

Deductible medical travel includes amounts paid primarily for, and essential to, medical care. These include:

- Bus, taxi, train, or plane fares or ambulance service,
- Transportation expenses of a parent who must go with a child who needs medical care,
- Transportation expenses of a nurse or other person who can give treatment required by a patient

who is traveling to get medical care and is unable to travel alone, and

- Transportation expenses for regular visits to see a mentally ill dependent, if these visits are recommended as a part of treatment.

You can also deduct expenses for using your car for medical reasons. This includes either the standard medical mileage rate of 16.5 cents per mile or actual expenses, plus parking fees and tolls.

The IRS allows you to deduct up to \$50 per night per person for lodging when you meet these requirements:

- The lodging is primarily for and essential to medical care.
- The medical care is provided by a doctor in a licensed hospital or in a medical care facility related to, or the equivalent of, a licensed hospital.
- There is no significant element of personal pleasure in the travel

Finally, to be able to deduct your medical travel:

- You must itemize your deductions, and
- Your total medical expenses must be in excess of 7.5% of your AGI.

There is so much to know, and that is why it really pays to use a professional if your tax return involves more than a basic W2. If you have questions, feel free to give me a call. Next month, I've got a secret to share. I'll tell you how to save money on both tax *and* healthcare costs while building a nest egg for the future. If you're a business owner, it gets even better. Trust me, you *don't* want to miss this one!