**Tax Tips**

**Commuting Expenses to Temporary Job Locations**

Did you know that you can deduct “commuting” expenses between your home and temporary job locations? Daily transportation costs between your home and a regular work location are nondeductible commuting expenses. However, you may be able to deduct costs of going to and from your home and a temporary (not regular) job location. This deduction is allowed if your work fits one of the following descriptions:

* You have one or more regular places of business outside your home, but sometimes travel to temporary work locations in the same trade or business.
* You sometimes travel to a temporary work location outside the metropolitan area in which you live and normally work.

Generally speaking, employment at a work location is temporary if it is realistically expected to last (and does in fact last) for no more than a year. So, for example, if you have a regular workplace, but you are assigned to another location for three months, your new work location is considered a temporary one. This means that you will be able to deduct your commuting expenses to the temporary location.

Sometimes a temporary location can turn into a regular one. This happens when your realistic expectation changes, so that work at a location that had been expected to last for a year or less is now expected to last for more than a year. Assume, for example, that a three-month assignment to a work location becomes permanent. In that case, your commuting expenses to that location won't be deductible after the date when your realistic expectation changed, even if the location is outside of your metropolitan area.

You must be able to substantiate the auto expenses that you claim through adequate records, such as a log or diary. You can either use the standard mileage rate or deduct your actual expenses.

If your employer reimburses your commuting expenses, you needn't report the reimbursements as income if they are made under a so-called “accountable plan.” An accountable plan is one that reimburses only deductible business expenses, requires you to substantiate your expenses, and requires you to return amounts in excess of your substantiated expenses. If the plan isn't an accountable plan, the reimbursement must be reported as income, and your deductible expenses must be claimed as employee business expenses.

If you have any questions regarding the above discussed topic or any other tax matter, please feel free to give me a call at (562) 698-9891.

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