

## Employee Business Expenses: Tax Court Looks At The Deductions Claimed On Nurse's Federal Income Tax Return.

The United States Tax Court recently had occasion to review certain deductions a nurse claimed on her 2003 income tax return. The court allowed some of the deductions and disallowed others.

### **Employee Business Expenses Are Deductible Documentation Is Essential**

The total of employee business expenses for the year is deductible under current Internal Revenue Service regulations as an itemized deduction only to the extent the total exceeds 2% of the employee's adjusted gross income.

A nurse is allowed to include in the total the cost of obtaining and maintaining nursing uniforms.

Clothing worn while at work is not tax deductible if, unlike a professional uniform, it is regular street attire that some people happen to wear while they are working.

Travel, meals, lodging and attendance fees for continuing nursing education events can be added into the total deduction, along with nurs-

ing association memberships, nursing journal subscriptions, state licensing fees, national accreditation fees and union dues.

Travel costs associated with job searches and job interviews are also deductible.

Each element of the total employee business expense deduction must be claimed as an exact dollar and cents figure.

The IRS will not accept an estimate for any employee business expense, even if the estimate is realistic or less than the actual amount that could be tallied exactly from actual invoices or receipts. Each cost item must be listed exactly and must be based on actual documentation or it may not be added into the total that will be claimed.

The only exception comes when business expense records existed at one time but were lost or destroyed due to factors beyond the taxpayer's control, in which case an estimate is acceptable. **DeVito v. Commissioner, 2009 WL 36536 (U.S. Tax Ct., January 7, 2009).**