

BUSINESS TRAVEL EXPENSES

Deductible business travel must meet the following criteria:

- * Away from home overnight
- * Ordinary (normal or customary for your type of business)
- * Necessary (appropriate and helpful)

Deductible travel expenses include the following:

- * Destination costs (airfare, train, bus, or driving own vehicle)
- * Local travel (taxi, commuter, airport limo, rental car between airport, hotel, workplaces, restaurants)
- * Lodging (including taxes and tips)
- * Meals (including food, beverages, tips) - deductible at 50%; lavish/extravagant nondeductible
- * Other incidentals (cleaning, telephone, tips, internet charges, etc.)

Travel expenses for another person are only deductible if:

- * The person is your employee, has a bona fide business purpose for travel, and would otherwise be allowed to deduct travel
- * The person is a business associate (customer, supplier, partner, advisor) you reasonably expect to conduct business with

Business and personal travel combined (within USA):

Trip primarily for business:

- * Deduct 100% of destination costs
- * Deduct 100% of business expenses while there
- * Do not deduct hotel, meals, incidentals for pleasure days

Trip primarily for pleasure:

- * Do not deduct destination costs
- * Deduct only expenses directly related to business

Business and personal travel combined (outside USA):

Trip primarily for business:

- * Prorate destination costs based on personal vs. business days
- * Deduct 100% of business expenses while there
- * Do not deduct hotel, meals, incidentals for pleasure days

Trip primarily for pleasure:

- * Do not deduct destination costs
- * Deduct only expenses directly related to business

Luxury Water Travel:

- * Deductions are limited to twice the highest per diem rate (approx \$700 per day)
- * Conventions/seminars not subject to daily limit in North American area
- * Annual deduction limit of \$2,000
- * Generally no deduction outside North American Area

Entertainment expenses are non-deductible

Required substantiation for travel expenses:

- * Amount of each separate expense for transportation, lodging, and meals.
- * Incidental expenses may be totaled in reasonable categories such as gas and oil, taxis, daily meals, etc.
- * Date taxpayer left and returned for each trip and number of days for business
- * Name of city or other designation
- * Business reason for travel or nature of business benefit gained or expected to be gained

Based on the above information, I certify that my business travel expenses are as follows:

Total deductible business expenses (excluding meals, entertainment)_____

Meals (list total cost and we will apply the 50% deduction limit)_____

Entertainment (nondeductible)_____

I also certify that I have the required substantiation of deductible business travel in my records.

Taxpayer signature_____ **Date**_____