

# Commuting expenses of taxpayers with office at home

If you maintain your office in your home, you may be entitled to a special tax break on your commuting costs. For most people, the cost of daily travel between home and a regular work location is a nondeductible commuting expense. However, taxpayers who have an office at home can deduct the daily costs of travel between home and another work location in the same business, regardless of distance and regardless of whether the other location is regular or temporary.

Note that you get this break only if your home is your principal place of business. In other words, you must meet the tests for deducting expenses of an office at home. Give me a call if you aren't familiar with those tests.

You must be able to substantiate the auto expenses that you claim through adequate records, such as a log or diary. Apps are available for your smart phone, and using these may be easier than keeping records manually. You can either use the standard mileage rate or deduct your actual expenses.

If you are an employee and your employer reimburses your travel 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 are employee business expenses, which are miscellaneous itemized deductions and disallowed for tax years 2018–2025.

If your office at home isn't your principal place of business, the costs of travel between your home and the first and last business stops of the day are nondeductible commuting expenses. However, the costs of going between home and a temporary work location are deductible, if you have a regular work location away from home. Generally speaking, employment at a work location is temporary if it's realistically expected to last (and does in fact last) for no more than a year.

Please consult your tax advisor for how these rules may impact you specifically. Your individual circumstances may require further analysis or consideration of how these rules interact with other elements of your overall tax situation.