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More Business Travel/Vacation Tax Treats

Following up on my suggestions for combining business travel and low cost [vacation time](#), here are some more ideas.

Take a Spouse or Companion. The expenses of a spouse or companion accompanying a business traveler are deductible only if:

1. The spouse or companion is an employee of the taxpayer and travels for a bona fide business purpose; and
2. The expenses would otherwise be deductible by the spouse or other companion. See [Code Section 274\(m\)\(3\)](#).

There are some details to be observed, and mere social or clerical duties are not enough. Still, even if the spouse's or companion's travel expenses aren't deductible, there may be tax benefits from traveling together. After all, the business traveler's tax deduction isn't limited to 50% of the total trip expenses.

Instead, the deduction is based on what it would have cost the taxpayer to travel alone. See [Revenue Ruling 56-168](#).

Lodging Example: A hotel room costs \$350 for one occupant and \$400 for two. A taxpayer on business can deduct \$350 per night on a room for two, not \$200. See [IRS Publication 463](#).

Car Example: Car travel is a bigger bargain. Suppose you travel out of town on business via rental car. You take your spouse or

companion along for non-business purposes. The entire cost of the rental is deductible since the cost would have been the same if you went alone.

Weekend Travel Home. If you're on an extended out-of-town assignment you may want to fly home for a weekend to be with your family. The cost of the weekend trip home is deductible up to the amount you would have spent on meals and lodging at your out-of-town location.

However, this applies only if you check out of your out-of-town hotel before you leave for your weekend trip home. If you stay checked into your hotel room (so are paying for your out of town accommodation too), the hotel cost is deductible, but the deduction for your weekend trip home is limited to what you would have spent on meals during the weekend at the out-of-town location. See [IRS Publication 463, p. 4](#).

For more, see:

[IRS Topic 511 – Business Travel Expenses](#)

[IRS Topic 514 – Employee Business Expenses](#)

[IRS Publication 463](#)

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