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Strange But Legit Tax Deductions

If you're searching high and low for tax deductions, take comfort from others who've done well at tax time. Of course, no one wants to be challenged, which argues for keeping to the straight and narrow. Nevertheless, if you're adventurous it's comforting to find someone challenged by the IRS who went to court and won.

These aren't for everyone, but some unusual tax deductions can pass muster.

Payments to Your Significant Other. Bruce needed someone to manage his rental properties so he hired his live-in girlfriend. Her duties included finding furniture, overseeing repairs and also running his personal household. The IRS thought any pay he gave her was not a legitimate deduction.

But he went to Tax Court and won. The Tax Court said \$2,500 of the \$9,000 he paid her was deductible as a business expense. It disallowed the cost of her housekeeping chores as nondeductible personal services. See [*Bruce v. Commissioner*](#).



Image via philly.com

Private Plane Anyone? Whether you can justify a private plane and treat the cost as a business expense depends on your circumstances, how much you use it, and more. But many taxpayers can and do justify it, and you don't have to be [Warren Buffett](#).

Take [*French v. Commissioner*](#). Rather than driving five to seven hours to check on their rental condo or be tied to one daily commercial flight, the Frenches bought their own plane. The IRS didn't think any part of it could be written off. But the Tax Court allowed them to deduct their condo-related trips in the plane.

That included fuel and depreciation for the portion of time they used the plane for business. What's more, the Tax Court allowed this even though the aviation costs increased their overall rental loss on the condo.

Pet Food. The big cat case last year was the [Oakland California Cat Lady](#) who got national press for beating the IRS in a cat fight. Her tax [decision](#) supported claiming the cost of vet bills and cat food as charitable contribution deductions. See [*Cat Lady Goes To Tax Court*](#). Sadly, she later faced animal cruelty charges. See [*Cat Lady Beat IRS, Now Faces Feline Felony*](#).

But even with that ending, hers isn't the only successful cat person case in the tax literature. In [*Seawright v. Commissioner*](#), a married couple owned a junkyard. They put out cat food to attract wild cats. Why, you might ask? The feral cats they were trying to attract dealt with snakes and rats on the property. That made for a safer junkyard for customers.

And that made cat food a business expense. The IRS thought this was ridiculous but the Tax Court didn't think so. In fact, by the time the case reached the Tax Court the IRS agreed!

For every tax case you find involving a taxpayer win, you'll find more losers so be careful. See [*More Strange Tax Deductions*](#) and [*Still More Strange Tax Deductions*](#) for more off-beat deductions that managed to stay afloat despite their off-the-wall appearance.

For more, see:

[**How To Avoid—Or Win—An IRS Audit Or Court Battle**](#)

[Unusual Tax Deductions? How About Blackmail?](#)

[Taxes And The Art Of Mustache Maintenance](#)

[Would Mustache Tax Be Better Than 9-9-9?](#)

[Is Occupy Wall Street Tax Deductible?](#)

[Tax Credit Sale Favorably Taxed](#)

[Michael Jackson Death Doctor Can Deduct His Legal Fees](#)

[Rajaratnam \\$92.8M Penalty Highlights Tax Deduction Rules](#)

[Tax Breaks For MBAs And More](#)

[Even Pimps Have Deductible Expenses](#)

[Should Abortion Be Tax Deductible?](#)

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