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Summer Vacation — Er, Business Trip — Tax Reminders

Mad Men era businessman going on corporate boondoggles led to tightening of the tax laws. Still, tax breaks are available for travelers who can combine a little pleasure with their business travel. If you travel for work, you may be able to eke out a travel bargain by piggybacking a mini-vacation onto your out-of-town business trip. If your trip was undertaken primarily for business, you can mix in some pleasure while away and still deduct all of your transportation. See [Regulation Section 1.162-2\(b\)\(1\)](#).

All lodging plus 50% of meals while on business status are also deductible. Plus, reimbursements to employees are tax-free if reimbursed under an “accountable plan.” Basically, this requires a timely accounting of the time, place, and business purpose of the travel, plus receipts.

As with all travel and business expenses, good documentation is key. (But if you’re missing receipts, see [this](#)). If travel is undertaken for your employer, a reimbursement for the business portion of the trip may be income- and payroll-tax-free. This doesn’t apply to travelers in the transportation industry or to per diem reimbursement.

What’s Business? There’s no hard-and-fast rule when is a trip is “primarily” business. Of course, how you split your time between

business and personal is important. [Regulation Section 1.162-2\(b\)\(2\)](#). If your business duties end Friday, staying over Saturday night can save more in airfare than the cost of extra meals and lodging. In that case, you won't pay tax on the reimbursement for your Saturday meal and lodging expenses.

Conventions. Travel expenses for a convention related to your trade or business are deductible. If you are self-employed, the expenses go on Schedule C. If you're an employee, unreimbursed expenses go on Schedule A as a miscellaneous itemized deduction. Travel expenses for conventions related to investments or financial planning are not deductible. Conventions held on cruise ships are quite limited, and conventions outside North America are subject to a litany of special rules.

Weekend Straddles. What if you must attend business meetings Thursday, Friday, and Monday and are too far away (or it's too expensive) to travel home? Spend the weekend relaxing at your out-of-town location. Because you are remaining there for business reasons, the weekend days should be treated as business days. That makes them deductible (50% of meal costs, 100% for other expenses) or excludible from your income if you are reimbursed under an accountable plan.

For more, see [IRS Publication 463](#).

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