Henderson v. Commissioner, 1948 Tax Ct. Memo 1948-77

r
r

Expenses are deductible as ‘traveling expenses while away from home’ only if incurred in pursuit of business; expenses stemming from personal choices, such as maintaining a residence far from the primary place of business, are not deductible.

r
r

Summary

r
r

The petitioner, an attorney, sought to deduct travel and living expenses incurred while working in New York City, arguing his ‘home’ was in Middleport, New York, where he resided. The Tax Court disallowed the deductions, finding that the expenses were not incurred in pursuit of business but rather due to his personal choice to maintain a residence far from his primary place of work. The court also denied a deduction for surrendered bonds, deeming the surrender a voluntary act rather than a recognition of worthlessness.

r
r

Facts

r
r

r

- The petitioner, an attorney, maintained a place of business in New York City during the tax year in question and prior years.

r

- He resided in Middleport, New York, a considerable distance from New York City.

r

- Petitioner sought to deduct expenses for travel between Middleport and New York City, as well as living expenses in New York City.

© 2025 SCOTUSreports.com. All rights reserved.

r

- The petitioner voluntarily surrendered certain bonds to the debtor, claiming a deduction for their worthlessness.

r

r
r

Procedural History

r
r

The Commissioner disallowed the deductions claimed by the petitioner. The petitioner then appealed to the Tax Court to challenge the Commissioner's determination.

r
r

Issue(s)

r
r

r

1. Whether the petitioner's travel and living expenses in New York City are deductible as 'traveling expenses while away from home in the pursuit of a trade or business' under Section 23(a)(1)(A) of the Internal Revenue Code.

   r

2. Whether the petitioner is entitled to a deduction for the worthlessness of bonds voluntarily surrendered to the debtor.

   r

r
r

Holding

r

© 2025 SCOTUSreports.com. All rights reserved.

r

r

1. No, because the expenses were not incurred in pursuit of business but rather due to the petitioner’s personal choice to reside far from his primary place of business.

   r

2. No, because the voluntary surrender of the bonds does not constitute a deductible loss for worthlessness.

   r

r
r

Court’s Reasoning

r
r

The court reasoned that the petitioner’s expenses were not incurred

© 2025 SCOTUSreports.com. All rights reserved.