8 T.C. 902 (1947)

The cost of regular clothing suitable for general wear and the cost of meals consumed while working overtime are generally considered non-deductible personal expenses, not business expenses.

Summary

Louis Drill, an outside superintendent for a construction company, sought to deduct the cost of work clothes and evening meals incurred while working overtime. The Tax Court denied the deductions, holding that the clothing was suitable for general wear and the meals were personal expenses. The court distinguished the case from situations involving required uniforms, emphasizing that the expenses were not directly related to the taxpayer's business but were inherently personal in nature. This case illustrates the strict interpretation of deductible business expenses versus non-deductible personal expenses under tax law.

Facts

Louis Drill worked as an outside superintendent and general utility man for his brother's construction company. His duties included supervising workers, delivering materials, and filling in for absent employees. Drill's work exposed his clothing to hazards, causing them to become soiled, torn, or snagged. He wore regular clothing suitable for general wear, not a uniform. Due to a manpower shortage, Drill worked overtime, averaging three nights a week, and ate his evening meals at restaurants. He received a $1,000 bonus for the overtime work and sought to deduct $75 for clothing expense and $150 for meals on his tax return.

Procedural History

Drill filed his 1943 income tax return, claiming deductions for clothing and meal expenses. The Commissioner of Internal Revenue disallowed these deductions, leading to a deficiency assessment. Drill petitioned the Tax Court for a review of the Commissioner's determination.

Issue(s)

1. Whether the cost of clothing worn by the petitioner at work is a deductible business expense when the clothing is not specifically required by the employer and is suitable for general wear.
2. Whether the cost of evening meals eaten by the petitioner in restaurants on nights when he worked overtime is a deductible business expense.

Holding

1. No, because the clothing was adaptable to general wear and was not a specific requirement of his employment, making the expense personal in nature.

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2. No, because the cost of meals, even when incurred due to overtime work, is generally a personal expense and is not deductible unless specifically provided for by statute, such as in the case of travel expenses.

Court's Reasoning

The court reasoned that expenses for food and clothing are generally considered personal expenses, which are expressly non-deductible under Section 24(a) of the Internal Revenue Code. The court distinguished this case from those allowing deductions for uniforms, such as nurses' uniforms, because Drill was not required to wear any particular type of clothing, and the clothing he wore was suitable for general use. The court stated that even though Drill's clothing might have been subjected to harder use, this did not change the inherently personal nature of the expense. Regarding the meals, the court found no difference in principle between the petitioner's daily lunches (which he conceded were non-deductible) and the evening meals, concluding that both were personal expenses. The court emphasized that "so far as deductibility is concerned, we can see no difference in principle between the petitioner's daily lunches and the evening meals he ate in restaurants on those nights when he worked overtime. Both are essentially personal expenses and therefore are nondeductible."

Practical Implications

This case clarifies the distinction between deductible business expenses and non-deductible personal expenses, particularly regarding clothing and meals. It reinforces the principle that expenses must be directly related to the taxpayer's business and not inherently personal in nature to be deductible. Attorneys should advise clients that the cost of regular clothing, even if worn at work, is generally not deductible unless it is a required uniform not suitable for general wear. Similarly, the cost of meals is typically a personal expense unless it falls under a specific exception, such as travel expenses. Later cases have cited Drill to emphasize the high bar for deducting expenses that could be considered personal in nature, requiring a clear and direct connection to the business.

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