13 T.C. 129 (1949)

For tax purposes, a taxpayer's "home" is generally defined as their principal place of business or employment, and expenses incurred for meals and lodging at that location are not deductible as travel expenses.

Summary

Beatrice Albert, residing in Gloucester, MA, sought to deduct expenses for travel and lodging incurred while working in Lowell, MA, arguing they were "away from home" expenses. The Tax Court disallowed the deduction, holding that Lowell was her tax home because it was her principal place of employment. The court reasoned that her decision to maintain a residence in Gloucester was a personal choice and that expenses related to that choice were not deductible business expenses. This case illustrates the importance of defining "tax home" when determining the deductibility of travel expenses.

Facts

Beatrice Albert lived with her husband and son in Gloucester, Massachusetts. From October 1943 until December 29, 1945, she was employed by the Chemical Warfare Procurement District of Boston and stationed at the Hub Hosiery Mills in Lowell, Massachusetts. Her duties involved ensuring contract compliance and maintaining plant production. She incurred expenses for a room at the Y.W.C.A. in Lowell, meals in Lowell, train fares between Gloucester and Lowell, and automobile transportation between the two cities. She claimed these expenses as deductions for "traveling expenses (including the entire amount expended for meals and lodging) while away from home in the pursuit of a trade or business."

Procedural History

The Commissioner of Internal Revenue disallowed Albert's deduction for travel and living expenses. Albert petitioned the Tax Court for a redetermination of the deficiency. The Tax Court upheld the Commissioner's determination, ruling against Albert.

Issue(s)

Whether the expenses incurred by the petitioner for travel, meals, and lodging while working in Lowell, Massachusetts, are deductible as "traveling expenses (including the entire amount expended for meals and lodging) while away from home in the pursuit of a trade or business" under the Internal Revenue Code.

Holding

No, because the petitioner's "home" for tax purposes was her principal place of business, Lowell, and the expenses were incurred due to her personal choice to

© 2025 SCOTUSreports.com. All rights reserved.

reside in Gloucester, making them non-deductible personal expenses.

Court’s Reasoning

The Tax Court reasoned that the term “home,” as used in the context of travel expense deductions, generally means the taxpayer’s principal place of business or employment, not necessarily their place of residence. The court emphasized that Albert’s job was located in Lowell, and her decision to live in Gloucester was a personal choice. Expenses incurred due to this personal choice are considered nondeductible personal or living expenses. The court distinguished the case from situations involving temporary assignments away from a taxpayer’s regular place of business. The court stated: “Here, as in the cases of , and , the taxpayer had but one job and, for personal reasons, rather than to prosecute or develop the business, chose to reside at a long established home away from this particular place of employment.” Commuting expenses are also not deductible. The fact that a transfer *might* happen is not relevant because “the evidence fails to show how probable this possibility was, except for the fact that the petitioner actually remained on duty in Lowell from 1943 until the end of 1945.”

Practical Implications

This case clarifies the definition of “home” for travel expense deductions, emphasizing that it is typically the principal place of business, not necessarily the taxpayer’s residence. It reinforces the principle that expenses incurred due to personal choices about where to live are generally not deductible business expenses. Taxpayers with employment in one location who choose to reside elsewhere should not expect to deduct commuting or living expenses at their place of employment. Later cases have cited Albert v. Commissioner to support the rule that maintaining a residence far from one’s place of employment for personal reasons does not transform ordinary commuting expenses into deductible business expenses. This impacts how tax professionals advise clients regarding deductible travel expenses and the importance of substantiating business necessity versus personal preference in incurring those expenses.

© 2025 SCOTUSreports.com. All rights reserved.