13 T.C. 186 (1949)

r
r

Expenses incurred while working at a new, indefinite job location are not deductible as traveling expenses away from home, and the taking of jointly owned property by a spouse does not constitute a deductible theft loss.

r
r

Summary

r

Grover Tyler, an airline pilot, took a job in Cleveland, Ohio, which he initially thought was temporary. He sought to deduct living expenses in Cleveland as travel expenses, along with entertainment expenses and a theft loss after his wife took jointly owned savings bonds. The Tax Court held that Cleveland became his tax home, disallowing the travel expense deduction. It allowed some entertainment expense deductions based on estimates and denied the theft loss deduction, concluding that the wife's actions did not constitute theft under the tax code.

r
r

Facts

r

Grover Tyler, a pilot based in Seattle with United Air Lines, accepted a job with Jack & Heintz in Cleveland in 1942 to test flight instruments. Initially intended as a 30-day assignment, Tyler received multiple extensions from United Air Lines. Tyler lived in hotels and apartments in Cleveland, while retaining his home in Seattle. In 1945, his wife left him, taking cash and jointly owned U.S. savings bonds from their joint safe deposit box. Tyler filed for divorce and sought return of the assets, but did not pursue criminal charges against his wife. He claimed a theft loss on his 1945 tax return for the value of the bonds.

r
r

Procedural History

r

© 2025 SCOTUSreports.com. All rights reserved.

Tyler filed income tax returns for 1942, 1943, and 1945, claiming deductions for travel and entertainment expenses, and a theft loss. The Commissioner of Internal Revenue disallowed certain deductions, leading to a deficiency assessment. Tyler petitioned the Tax Court for review of the Commissioner's determination.

r
r

Issue(s)

r

1. Whether Tyler's living expenses in Cleveland during 1942 and 1943 are deductible as traveling expenses away from home under Section 23(a)(1)(A) of the Internal Revenue Code.

r

2. Whether Tyler is entitled to deduct certain unreimbursed entertainment expenses as ordinary and necessary business expenses in 1942, 1943, and 1945.

r

3. Whether Tyler is entitled to a theft loss deduction in 1945 for the value of U.S. savings bonds taken by his wife.

r
r

Holding

r

1. No, because Cleveland became Tyler's principal place of business, and thus, he was not

© 2025 SCOTUSreports.com. All rights reserved.