21 T.C. 131 (1953)

Reimbursements for expenses received by an employee are generally includible in gross income, and expenses for meals taken during a normal workday, even when required by employment, are considered personal and nondeductible.

Summary

The case concerns a State Police Trooper who received a salary and expense reimbursements from the State of Indiana. The Tax Court addressed whether these reimbursements were includible in the trooper's gross income and whether the cost of meals purchased during work hours was deductible. The court held that the reimbursement for expenses was properly included in gross income. Furthermore, it held that the portion of the reimbursement spent on meals was a personal expense and, therefore, not deductible. This decision distinguishes between business expenses incurred while away from home for an extended period and routine meal expenses.

Facts

Charles H. Hyslope, a State Police Trooper, received a salary of $2,475 in 1949. He also received $842 as reimbursement for various expenses, including uniform maintenance, telephone, lodging, and meals eaten during his daily duty. His home was within 20 miles of his assigned duty area. The State discontinued its itemized voucher system and began providing a fixed monthly expense sum. Hyslope included the $842 reimbursement in his gross income but deducted it as a miscellaneous expense. The Commissioner allowed deductions for uniform maintenance, telephone, and room rent. The dispute centered on the $545 for meals.

Procedural History

Hyslope and his wife filed a joint income tax return for 1949. The Commissioner of Internal Revenue issued a deficiency notice disallowing certain deductions. Hyslope petitioned the United States Tax Court to challenge the deficiency determination, arguing that the expense reimbursement was not includible in gross income and that the meal expenses were deductible. The Tax Court ruled in favor of the Commissioner.

Issue(s)

1. Whether the sum of $842, received as reimbursement for various expenses, was includible in gross income under Section 22(a) of the Internal Revenue Code.

2. If the reimbursement was includible in gross income, whether the $545 spent on meals was deductible under Section 22(n) or 23(a) of the Code.

Holding

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1. Yes, because the reimbursement from the State of Indiana was clearly within the meaning of gross income as defined by section 22(a) of the Code and was, therefore, correctly included in gross income.

2. No, because the $545 spent on meals was a personal expenditure under Section 24(a)(1) and thus not deductible.

Court’s Reasoning

The court first addressed the inclusion of the reimbursement in gross income. It distinguished this case from *Clifford Jones v. United States*, where military allowances for subsistence and quarters were excluded from gross income, by pointing out that the *Jones* case did not extend to civilian personnel. The court found that the reimbursement received by Hyslope was

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