

T.C. Memo. 1957-169

Commuting expenses, even when driving is necessitated by the nature of the employment and lack of public transportation, are generally considered personal expenses and are not deductible as ordinary and necessary business expenses.

Summary

The Tax Court held that a timber faller, Crowther, could not deduct the full expenses for his vehicles used to travel between his home in Fort Bragg and remote timberland work sites. Crowther argued these were necessary business expenses because his work locations were distant, lacked public transport and on-site housing, and he transported tools. The court affirmed the IRS's partial deduction, distinguishing between commuting and business use. It reiterated the longstanding principle that commuting costs are personal, regardless of distance or necessity, unless directly related to business activities beyond mere transportation to work. The court allowed deductions for the portion of vehicle use demonstrably for transporting tools and equipment, but not for commuting itself.

Facts

1. Crowther, a timber faller, lived with his family in Fort Bragg, California.
2. He worked at various timberland "layouts" located 40 or more miles from his home.
3. No living accommodations were available for Crowther and his family at or near these layouts.
4. Public transportation was not available between Fort Bragg and the layouts.
5. Crowther's employers did not provide transportation or dictate where he should live or how he should commute.
6. Crowther used his automobiles and jeep to travel between his home and the layouts, also transporting tools and equipment for his work.
7. Crowther deducted the full expenses for his vehicles as ordinary and necessary business expenses.
8. The Commissioner allowed only a portion of these deductions, distinguishing between commuting and business use.

Procedural History

1. The Commissioner of Internal Revenue disallowed a portion of Crowther's deductions for automobile, jeep, and chainsaw expenses.

2. Crowther petitioned the Tax Court, contesting the Commissioner's determination.
3. The Tax Court reviewed the case to determine the deductibility of these expenses as ordinary and necessary business expenses.

Issue(s)

1. Whether the expenses for automobiles, jeep, and chainsaw, and their use, incurred by Crowther to travel between his home and remote work locations, are fully deductible as ordinary and necessary business expenses?
2. Whether commuting expenses are deductible business expenses when necessitated by employment location and lack of alternative transportation and housing?

Holding

1. No, because to the extent the automobile and jeep expenses represented commuting expenses, they are considered personal expenses and are not fully deductible as ordinary and necessary business expenses.
2. No, because commuting expenses are inherently personal, regardless of the circumstances making car use necessary or the unavailability of public transportation or local housing.

Court's Reasoning

1. The court relied on established precedent that "commuting expenses, or expenses incurred in traveling from home to one's place of business or employment, are not deductible as business expenses." Citing *Frank H. Sullivan*, 1 B. T. A. 93; *Mort L. Bixler*, 5 B. T. A. 1181; *Charles H. Sachs*, 6 B. T. A. 68; *Abraham W. Ast*, 9 B. T. A. 694; Regs. 111, sec. 29.23(a)-2.
2. The court emphasized that the rule against deducting commuting expenses applies regardless of distance (citing *Commissioner v. Flowers*, 326 U. S. 465) or the necessity of a particular mode of transport (citing *John C. Bruton*, 9 T. C. 882).
3. The unavailability of public transportation or local housing does not create an exception to the commuting expense rule. The court reasoned, "The fact that public transportation is not available does not require that an exception be made to the rule, since if public transportation were available the fares paid for its use clearly would not be deductible. Consequently, automobile and jeep expenses incurred in lieu of such fares are not entitled to any different treatment, irrespective of whether public transportation is available or not. Nor do we think that the fact that living accommodations for Crowther and his family were not available at or near the layouts provides any stronger basis for an exception to the rule than the fact that public transportation was not available between his home and the layouts."

4. The court distinguished cases cited by petitioners involving temporary travel away from home or unique professional circumstances, finding them inapplicable to standard commuting.

5. The court acknowledged that Crowther used his vehicles for both commuting and business purposes (transporting tools). It upheld the Commissioner's partial allowance for business use, and in some instances increased the allowed amounts based on the record.

Practical Implications

1. This case reinforces the general rule that commuting expenses are not deductible, even when work locations are remote and require personal vehicle use due to the nature of the job.

2. It highlights the importance of distinguishing between commuting and actual business use of a vehicle. Taxpayers can deduct expenses related to transporting tools or equipment if they can substantiate this business use separately from commuting.

3. Legal professionals should advise clients that the lack of public transportation or housing near a work site does not automatically convert commuting expenses into deductible business expenses.

4. This ruling continues to be relevant in modern tax law, as the IRS and courts consistently apply the principle that commuting is a personal expense. Later cases continue to cite *Crowther* for this established principle, emphasizing that the 'necessity' of driving due to job location does not transform personal commuting into deductible business travel.