***30 T.C. 757 (1958)***

Clothing expenses are deductible as business expenses if the clothing is specifically required for the employee's job, not suitable for personal wear, and not worn for personal use.

**Summary**

Betsy Lusk Yeomans, a fashion coordinator, sought to deduct the cost of clothing she purchased for her job at General Shoe Corporation. Her employer required her to wear fashionable clothing to style shows and meetings. The Tax Court held that Yeomans could deduct the cost of clothing that was not suitable for personal use and was worn exclusively for business purposes. The court applied the principle that expenses, including clothing, are deductible if they are ordinary and necessary to the taxpayer's trade or business. The court, however, estimated the deductible amounts because Yeoman's records were not precise.

**Facts**

Betsy Lusk Yeomans was a fashion coordinator for General Shoe Corporation. Her duties involved attending fashion meetings, planning and staging style shows, and keeping abreast of fashion trends. General Shoe required Yeomans to wear fashionable clothing. Yeomans spent significant sums on clothing and accessories for these purposes, some of which were not suitable for personal wear and were not worn outside of her professional activities. General Shoe did not provide a clothing allowance. Yeomans sought to deduct these clothing expenses as business expenses on her tax returns for 1951, 1952, and 1953. The Commissioner of Internal Revenue disallowed the deductions, arguing that they were personal expenses. The Tax Court needed to determine if Yeomans' clothing expenses were deductible business expenses.

**Procedural History**

Yeomans filed income tax returns for the years 1951, 1952, and 1953, claiming deductions for the cost of clothing and accessories used in her employment. The Commissioner of Internal Revenue disallowed these deductions, leading to deficiencies in her income tax. Yeomans petitioned the United States Tax Court for review of the Commissioner's decision. The Tax Court reviewed the facts and the applicable law to determine whether the clothing expenses were deductible. The court found in favor of Yeomans but did not accept her specific calculations.

**Issue(s)**

Whether the cost of clothing and accessories worn by Yeomans in her capacity as a fashion coordinator for General Shoe Corporation and not suitable for personal and private wear, is deductible as an ordinary and necessary business expense under Internal Revenue Code?

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## Holding

Yes, because the court determined that the expenditures made by Yeomans for clothing used in her employment, which was not suitable for personal or private wear, and was not so worn, were proper deductions in computing her net income for the taxable years.

## Court's Reasoning

The court referenced prior case law, establishing the principle that the cost of uniforms or special clothing required for employment, which are not suitable for personal use, are deductible as business expenses. While the court acknowledged that the clothing worn by Yeomans was not a uniform, it reasoned that the clothing was essential for her job duties. As a fashion coordinator, Yeomans was required to present a certain image and dress in advanced styles. The court found it essential that she wear clothing that reflected knowledge of fashion trends. The court emphasized that Yeomans' employer expected her to provide her clothing. Because the clothing was essential for her work, unsuitable for personal wear, and not used for personal purposes, the court allowed the deductions. The court used the Cohan rule (named after the case of *Cohan v. Commissioner*, 39 F.2d 540) to estimate the amount of deductible expenses because Yeoman's records were not precise. The court found that Yeoman's work travel expenses were relevant to determining the portion of the expense attributable to business.

## Practical Implications

This case provides guidelines for deducting clothing expenses as a business expense. To be deductible, the clothing must be: (1) Required or essential for employment, (2) Not suitable for personal wear, and (3) Not worn for personal use. The court's application of the Cohan rule highlights the importance of maintaining accurate records of business expenses. Professionals in positions where appearance is crucial for business, like fashion coordinators, can use this case to justify deducting their clothing expenses. Accountants and tax attorneys should use the Yeomans case to advise clients on the deductibility of clothing expenses, emphasizing the need for documentation to support the deduction and distinguishing between items suitable for personal and business use. It is important to note that the specific application of this rule can vary based on the nature of the profession and the specific facts of each case. Later case law has further refined this principle.

## Meta Description

The Tax Court ruled that a fashion coordinator could deduct clothing expenses as business expenses if the clothes were required for her job, not wearable outside of work, and used exclusively for business, highlighting the intersection of appearance and job requirements.

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**Tags**

Yeomans v. Commissioner, Tax Court, 1958, Business Expense, Clothing Deduction, Fashion Coordinator

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