33 T.C. 938 (1960)

A taxpayer's "home" for purposes of deducting travel expenses is their principal place of employment for an indefinite period, not their residence.

Summary

The case of *Eaves v. Commissioner* concerns the deductibility of meal expenses for a taxpayer who worked away from his residence. James Eaves, an electrician, worked in Rockdale, Texas, while maintaining his residence in Austin. He sought to deduct the cost of his meals in Rockdale as travel expenses under the Internal Revenue Code. The Tax Court denied the deduction, holding that Rockdale was Eaves's principal place of employment for an indefinite period, making it his "tax home," and thus not qualifying as "away from home" for travel expense deductions. This decision emphasizes the importance of the duration and nature of employment in determining the taxpayer's "home" for tax purposes.

Facts

James Eaves, an electrician, was employed by Grimes Electric Company, with its headquarters in Austin, Texas. He worked on various projects, including construction sites. In May 1952, Grimes began working on a project for the Aluminum Company of America (Alcoa) in Rockdale, Texas, about 65 miles from Austin. Eaves worked as a foreman on these projects, with contracts lasting from a few days to about three months each. While the contracts were temporary, Grimes established a warehouse and office in Rockdale, anticipating continued work. Eaves maintained his residence in Austin and spent his weekends there. Grimes provided Eaves with sleeping quarters in Rockdale but did not reimburse him for meal expenses. Eaves spent $1,000 on meals in Rockdale during 1955. Eaves used a company truck to transport tools and data between Rockdale and Austin on Wednesdays and weekends. Eaves's employment continued at Rockdale until August 1956.

Procedural History

The Commissioner of Internal Revenue determined a deficiency in Eaves's income tax for 1955, disallowing the deduction of $1,000 for meal expenses. Eaves contested this determination. The U.S. Tax Court heard the case and issued a decision in favor of the Commissioner.

Issue(s)

1. Whether the taxpayer's principal place of employment was Rockdale, Texas, during 1955.

2. Whether the taxpayer was "away from home" while in Rockdale, thereby allowing the meal expenses to be deducted as travel expenses under the Internal Revenue

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Code.

Holding

1. Yes, because the court found that Rockdale was the taxpayer's principal place of employment for an indefinite period of time.

2. No, because Rockdale, as the principal place of employment, was the taxpayer's "tax home," and expenses there were not considered "travel expenses" under the law.

Court's Reasoning

The Tax Court's reasoning centered on the concept of a "tax home." The court cited *Commissioner v. Flowers, 326 U.S. 465 (1946)*, which established that travel expenses are deductible only when incurred while "away from home." The court then applied the principle that the

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