33 T.C. 1059 (1960)

A taxpayer's post of duty becomes their home for tax purposes if the employment at that location is indefinite, and related travel expenses are generally not deductible.

Summary

The United States Tax Court considered whether an electrician could deduct travel expenses incurred while working at a construction site away from his permanent residence. The court held that the electrician's employment at Rockdale, Texas, was indefinite, even though he worked for multiple contractors during the period. Thus, Rockdale became his tax home, and the expenses for meals, lodging, and travel between Rockdale and his home in Austin, Texas, were not deductible. This case highlights the distinction between temporary and indefinite employment in determining the deductibility of travel expenses under tax law.

Facts

Ray A. Smith, an electrician and member of the International Brotherhood of Electrical Workers, was employed at a construction site near Rockdale, Texas, from May 1952 to June 1954. He worked for five different electrical contractors during this period, each contract being separate and independent. He maintained a residence in Austin, Texas, where his wife resided, and traveled to Austin on weekends. Smith claimed deductions for meals, lodging, and automobile expenses related to his work in Rockdale. The Commissioner of Internal Revenue disallowed the deductions, arguing that Rockdale was Smith's tax home because his employment there was indefinite.

Procedural History

The Commissioner of Internal Revenue determined a deficiency in Smith's income tax for 1953, disallowing deductions claimed for travel expenses. Smith contested the disallowance in the United States Tax Court. The Tax Court reviewed the facts, applied relevant tax law, and ruled in favor of the Commissioner.

Issue(s)

1. Whether Smith's employment at Rockdale was temporary or indefinite.

2. Whether Smith could deduct expenses for meals and lodging while working in Rockdale.

3. Whether Smith could deduct automobile expenses for weekend trips between Rockdale and Austin.

Holding

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1. Yes, because Smith’s employment at Rockdale was considered indefinite, as it spanned more than a year.

2. No, because Rockdale was Smith’s tax home due to the indefinite nature of his employment, and therefore the expenses were considered personal and nondeductible.

3. No, because the automobile expenses were also considered personal expenses, not deductible since Rockdale was his tax home.

Court’s Reasoning

The court applied established tax law principles concerning the deductibility of travel expenses. The court relied on prior cases and Internal Revenue rulings to define “home” for tax purposes. The court found that an individual’s “home” is where they conduct their trade or business, unless they are engaged at two or more separate localities, in which case the

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