Owens v. Commissioner, T.C. Memo. 1969-289 (1969)

For the purpose of deducting travel expenses while 'away from home' under Section 162(a)(2) of the Internal Revenue Code, a taxpayer's 'home' is their principal place of business or employment, and assignments of indefinite duration at a different location do not qualify as 'away from home'.

Summary

The taxpayer, Owens, resided with his family in Oskaloosa, Iowa. He worked for the Iowa State Highway Commission and was assigned to a highway construction project in Des Moines, approximately 60 miles from Oskaloosa. Owens rented rooms in Des Moines during the work week and returned to Oskaloosa on weekends. He sought to deduct meal, lodging, and automobile expenses as 'traveling expenses while away from home'. The Tax Court disallowed these deductions, holding that Des Moines was Owens's 'tax home' because it was his principal place of employment and his assignment there was indefinite, not temporary. The court emphasized that 'home' for tax purposes means the principal place of business, not necessarily the taxpayer's personal residence.

Facts

Owens and his wife resided in Oskaloosa, Iowa since 1941.

Owens began working for the Iowa State Highway Commission in 1959 and was informed that he could be transferred anywhere in Iowa as a condition of employment.

In April 1960, Owens was assigned to the Des Moines construction office for the Des Moines Freeway Project.

His supervisor considered the Des Moines assignment permanent.

Owens became aware that his inspection tasks on the Freeway Project would continue for several years, at least into 1966.

From 1963, Owens rented rooms in Des Moines during the week, returning to his family in Oskaloosa on weekends.

For 1964 and 1965, Owens claimed deductions for meals and lodging in Des Moines and car expenses for weekend travel to Oskaloosa.

The IRS disallowed these deductions.

Procedural History

The Commissioner of Internal Revenue determined deficiencies in Owens's income

© 2025 SCOTUSreports.com. All rights reserved.

tax for 1964 and 1965 due to disallowed deductions for travel expenses.

Owens petitioned the Tax Court for a redetermination of these deficiencies.

Issue(s)

1. Whether Des Moines was Owens's 'home' for the purposes of Section 162(a)(2) of the Internal Revenue Code, which allows deductions for 'traveling expenses…while away from home in the pursuit of a trade or business'.

2. Whether Owens's employment in Des Moines was 'temporary' or 'indefinite'.

Holding

1. No, Des Moines was Owens's 'tax home' because it was his principal place of employment.

2. Owens's employment in Des Moines was 'indefinite' because it was expected to last for a substantial and indeterminate period.

Court's Reasoning

The court stated that for tax purposes, 'home' generally refers to the taxpayer's principal place of business, employment, or post of duty, citing *Floyd Garlock, 34 T.C. 611, 614 (1960)* and *Ronald D. Kroll, 49 T.C. 557 (1968)*.

The court referenced *Commissioner v. Stidger, 386 U.S. 287 (1967)*, where the Supreme Court held that a military taxpayer's 'tax home' is their permanent duty station, reinforcing the concept that 'home' is tied to the place of employment.

The court found that Des Moines and Marquisville were Owens's principal places of employment during the years in question, as he performed all his duties there.

The court distinguished between 'temporary' and 'indefinite' employment. It cited *Peurifoy v. Commissioner, 358 U.S. 59, 60 (1958)* and *Ronald D. Kroll, 49 T.C. 557, 562*, noting that deductions are allowed for temporary work away from a principal place of employment, but not for indefinite assignments.

The court reasoned that Owens's assignment in Des Moines, while potentially subject to transfer, was in fact indefinite because he expected to remain there for several years to complete his tasks on the Freeway Project. His situation was compared to *Floyd Garlock* and *Beatrice H. Albert, 13 T.C. 129 (1949)*, where similar deductions were disallowed for taxpayers working at locations considered their indefinite principal place of employment, despite maintaining residences elsewhere.

The court rejected Owens's argument that the possibility of transfer made his

© 2025 SCOTUSreports.com. All rights reserved.

assignment temporary, stating that routine possibility of transfer does not make indefinite employment temporary.

Practical Implications

Owens v. Commissioner provides a clear illustration of the ‘tax home’ doctrine in the context of travel expense deductions. It reinforces that for tax purposes, ‘home’ is primarily defined by the location of one’s principal place of business or employment, not personal residence.

The case highlights the critical distinction between ‘temporary’ and ‘indefinite’ employment assignments. Taxpayers accepting work in a new location must assess the expected duration of the assignment. If the assignment is expected to last for a substantial or indeterminate period, the new work location is likely to be considered their ‘tax home’, and expenses for travel, meals, and lodging there will not be deductible as ‘away from home’.

Legal practitioners should advise clients whose work requires them to relocate to consider the expected duration of the assignment and the location of their principal place of business when evaluating the deductibility of travel expenses. This case, along with *Garlock* and *Albert*, sets a precedent against deducting living expenses in locations of indefinite work assignments, even if the taxpayer maintains a family residence elsewhere.

Subsequent cases and IRS guidance continue to apply the principles established in *Owens*, emphasizing the objective determination of the principal place of business and the indefinite vs. temporary nature of employment to determine ‘tax home’ for travel expense deductions.

© 2025 SCOTUSreports.com. All rights reserved.