Drake v. Commissioner, 52 T. C. 842 (1969)

Expenses for personal grooming, such as haircuts required by an employer, are not deductible as business expenses under the Internal Revenue Code.

Summary

In Drake v. Commissioner, the U. S. Tax Court ruled that haircuts required by the U. S. Army were personal expenses and not deductible as business expenses. Richard Walter Drake, an enlisted soldier, sought to deduct the cost of frequent haircuts mandated by the Army. The court determined that such expenses were inherently personal, despite being required for employment, and thus not deductible under Section 162 of the Internal Revenue Code. The court also considered Drake's claim for cleaning expenses for his fatigue uniforms, allowing a deduction of $150 after adjustments.

Facts

Richard Walter Drake was an enlisted man in the U. S. Army stationed at a missile base in 1966. He was required to have a haircut at least every two weeks per Army regulations, which he claimed increased his haircut expenses. Additionally, Drake was required to wear clean fatigue uniforms at least twice a week, and he sought to deduct $165 for cleaning these uniforms and $50 for haircuts on his 1966 tax return.

Procedural History

Drake filed a petition in the U. S. Tax Court challenging the Commissioner of Internal Revenue's determination of a tax deficiency for 1966. The court considered whether the costs of haircuts and cleaning of uniforms were deductible business expenses. The Commissioner conceded the deductibility of the uniform cleaning costs but disputed the amount claimed.

Issue(s)

1. Whether the cost of haircuts required by the U. S. Army is deductible as an ordinary and necessary business expense under Section 162 of the Internal Revenue Code, or whether it is a nondeductible personal expense under Section 262.
2. Whether the petitioner incurred expenses for the cleaning of fatigue uniforms in an amount greater than that allowed by the respondent.

Holding

1. No, because the cost of haircuts is inherently personal and not deductible, even if required by the employer.
2. Yes, because the cleaning of fatigue uniforms is deductible, but the amount allowed is $150, not the $165 claimed by the petitioner.

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Court’s Reasoning

The court rejected the “but for” test for deductibility, emphasizing that the nature of the expense must not be personal. The court cited previous cases where personal expenses, such as clothing adaptable for nonbusiness wear and commuting costs, were not deductible. It distinguished grooming expenses as inherently personal, noting that the Army’s requirement was for personal appearance rather than job performance. The court referenced *Sparkman v. Commissioner* and *Paul Bakewell, Jr.* to support its stance on personal grooming expenses. Regarding the uniform cleaning costs, the court accepted the respondent’s concession but adjusted the amount based on the evidence and Drake’s leave time.

Practical Implications

This decision clarifies that personal grooming expenses, even when mandated by an employer, remain nondeductible. Legal practitioners should advise clients that only expenses directly related to the performance of job duties may be deductible, not those for general personal maintenance. This ruling affects how military personnel and employees in other regulated professions should approach tax deductions. It also underscores the importance of documenting and substantiating deductible expenses, as seen in the court’s adjustment of the uniform cleaning deduction. Subsequent cases have upheld this principle, reinforcing the distinction between personal and business expenses in tax law.

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