Chimento v. Commissioner, 52 T. C. 1067 (1969)

A taxpayer's 'home' for travel expense deduction purposes under IRC § 162(a)(2) is where the taxpayer incurs substantial, continuing living expenses at a permanent residence.

Summary

In Chimento v. Commissioner, the Tax Court ruled that Carmen Chimento could not deduct his meals and lodging expenses while working in Binghamton, NY, as travel expenses 'away from home'. Chimento, a technical writer who frequently moved for work, claimed his 'home' was his brother's house in Garfield, NJ. The court disagreed, finding that Chimento's connections to Garfield were too tenuous and that by 1965, his stay in Binghamton had become indefinite, making it his tax home. This case clarifies that for travel expense deductions, a taxpayer's 'home' is where they maintain substantial, continuing living expenses, not merely a place they occasionally visit.

Facts

Carmen Chimento, a technical writer, worked for various firms, moving frequently between jobs in different states. From September 1963 to May 1966, he was assigned to work in Binghamton, NY, initially staying in a motel and then a furnished apartment. In 1964, after marrying, he and his wife rented an unfurnished apartment in Binghamton, purchasing furniture for it. Chimento maintained some personal items at his brother's house in Garfield, NJ, but never paid rent there, nor did he vote, pay taxes, or own property in New Jersey. He registered his car and filed state tax returns in New York. On his 1965 federal tax return, Chimento claimed deductions for meals and lodging in Binghamton as travel expenses incurred while 'away from home'. The Commissioner disallowed these deductions.

Procedural History

The Commissioner of Internal Revenue disallowed Chimento's travel expense deductions and issued a notice of deficiency. Chimento, representing himself, petitioned the U. S. Tax Court for a redetermination of the deficiency. The Tax Court, in a decision filed on September 29, 1969, upheld the Commissioner's determination.

Issue(s)

1. Whether Carmen Chimento was 'away from home' within the meaning of IRC § 162(a)(2) when he incurred expenses for meals and lodging in Binghamton, NY, in 1965.

Holding

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1. No, because Chimento's connections to Garfield, NJ, were too tenuous to be considered his home, and by 1965, his employment in Binghamton had become indefinite, making Binghamton his tax home.

Court's Reasoning

The Tax Court, relying on prior case law, defined 'home' under IRC § 162(a)(2) as the place where a taxpayer incurs substantial, continuing living expenses. The court found that Chimento's ties to Garfield were insufficient to qualify as his home, as he did not pay rent, own property, or maintain significant living expenses there. In contrast, Chimento lived with his family in Binghamton, registered his car and filed state taxes there, and by 1965, his employment had become indefinite. The court cited James v. United States, emphasizing that a taxpayer without a fixed abode carries their home with them, and thus cannot be 'away from home'. The court also noted that even if Garfield were considered Chimento's residence, his indefinite stay in Binghamton would still make it his tax home, precluding 'away from home' deductions.

Practical Implications

This decision impacts how taxpayers, especially those with itinerant employment, should approach travel expense deductions. It clarifies that a taxpayer's 'home' for tax purposes is where they maintain substantial living expenses, not merely a place they occasionally visit. Tax practitioners must carefully analyze a taxpayer's living arrangements and employment duration to determine their tax home. The ruling may limit deductions for those with no fixed residence or long-term job assignments. Subsequent cases, such as Peurifoy v. Commissioner, have further developed the temporary vs. indefinite employment distinction, but Chimento remains a key precedent for defining 'home' in travel expense cases.

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