Dean v. Commissioner, 54 T. C. 663 (1970)

For itinerant workers, the tax home remains the taxpayer's residence unless they have a nontemporary principal place of business elsewhere.

Summary

Hollie T. Dean, a construction worker, deducted expenses for meals, lodging, and travel during temporary assignments in 1965, claiming Washington, D. C. , as his tax home due to union referrals. The IRS disallowed deductions related to his Landover job, arguing it was near his claimed tax home. Dean then asserted his actual home in Williamsport, Md. , as his tax home. The Tax Court ruled for Dean, holding that his tax home was Williamsport because he had no nontemporary principal place of business elsewhere, allowing all deductions.

Facts

Hollie T. Dean, a millwright welder and mechanic, resided in Williamsport, Md. , and worked on temporary construction projects. In 1965, he was employed at Chalk Point, Md. , Front Royal, Va. , and Landover, Md. , all obtained through his union in Washington, D. C. Dean claimed deductions for expenses incurred during these assignments, initially stating his tax home was the union's Washington office. The IRS disallowed the Landover-related deductions, deeming them near his claimed tax home. At trial, Dean disavowed this claim, asserting Williamsport as his tax home.

Procedural History

The IRS determined a deficiency in Dean's 1965 federal income tax return due to disallowed deductions for travel expenses related to his Landover employment. Dean petitioned the U. S. Tax Court, which heard the case and ruled in his favor, allowing the deductions.

Issue(s)

1. Whether Dean's tax home for the purposes of deducting travel expenses under IRC section 162(a)(2) was Washington, D. C. , or Williamsport, Md.

Holding

1. No, because Dean's tax home was Williamsport, Md. , as he did not have a nontemporary principal place of business elsewhere.

Court's Reasoning

The Tax Court applied the rule from *Ronald D. Kroll* that a taxpayer's residence remains their tax home unless they have a nontemporary principal place of business away from it. The court rejected the IRS's argument that Dean's union office in

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Washington, D. C. , constituted his principal place of business, noting that Dean worked at temporary job sites, not in Washington. The court emphasized that Dean's employment was temporary and that his actual home was in Williamsport, where he and his family lived. The court's decision was influenced by the absence of a nontemporary work location and Dean's consistent return to Williamsport on weekends.

Practical Implications

This decision clarifies the tax home concept for itinerant workers, emphasizing that their residence remains their tax home unless they have a nontemporary principal place of business elsewhere. Practitioners should advise clients in similar situations to carefully document their primary residence and the nature of their employment to support deductions for travel expenses. This ruling has implications for workers in industries with frequent job changes, affecting how they claim deductions and how the IRS audits such claims. Subsequent cases, such as *Peurifoy v. Commissioner*, have referenced *Dean* in discussing the tax home for itinerant workers.

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