***Poirier v. Commissioner, 54 T. C. 1215 (1970)***

Job search expenses are deductible under IRC § 162(a) as ordinary and necessary expenses when incurred to continue in the same trade or business, even if the new job is not ultimately accepted.

**Summary**

In Poirier v. Commissioner, the Tax Court ruled that job search expenses paid to a placement agency are deductible as ordinary and necessary business expenses under IRC § 162(a). The petitioner, an engineer, paid fees to Chusid to secure new employment but ultimately stayed with his old employer after receiving a promotion. The court held that these expenses were deductible because they were incurred to maintain his trade or business as an engineer, following precedent set in Primuth and Motto.

**Facts**

The petitioner, an engineer employed by General Electric, paid Chusid $1,781. 75 for job search services. With Chusid's help, he received and accepted a job offer from another employer. However, just before starting the new job, General Electric offered him a promotion and matched the new employer's salary, leading him to remain with his original employer.

**Procedural History**

The case was brought before the U. S. Tax Court to determine the deductibility of the job search fees under IRC § 162(a). The court reviewed similar cases, Primuth and Motto, and applied their rulings to the facts at hand.

**Issue(s)**

1. Whether payments to Chusid for job search services are deductible under IRC § 162(a) as ordinary and necessary expenses incurred in the petitioner's trade or business.

**Holding**

1. Yes, because the expenses were incurred to continue in the same trade or business of being an engineer, following the court's precedents in Primuth and Motto.

**Court's Reasoning**

The court found that the petitioner was in the trade or business of being an engineer, similar to the taxpayers in Primuth and Motto. The court emphasized that the job search expenses were directly related to maintaining this trade or business.

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The court quoted Primuth, stating, “Once we have made our decision that the petitioner was carrying on a trade or business of being a corporate executive, the problem presented here virtually dissolves for it is difficult to think of a purer business expense than one incurred to permit such an individual to continue to carry on that very trade or business—albeit with a different corporate employer. ” The court rejected the Commissioner’s argument that the case was distinguishable because the new job was not ultimately accepted, noting that the promotion at General Electric was a direct result of the job offer obtained through Chusid’s services.

**Practical Implications**

This decision clarifies that job search expenses are deductible under IRC § 162(a) when incurred to continue in the same trade or business, even if the new job is not taken. Practitioners should advise clients to document such expenses carefully, as they may be deductible. The ruling has implications for how taxpayers approach job searches and the documentation of related expenses. Subsequent cases, such as Morris v. Commissioner, have affirmed this principle. Businesses and taxpayers should be aware of this ruling when considering job transitions and tax planning strategies.

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