Fausner v. Commissioner, 55 T. C. 620 (1971)

A taxpayer can deduct a portion of transportation expenses to and from work if the costs are attributable to carrying work-related tools or equipment.

Summary

In Fausner v. Commissioner, the U. S. Tax Court addressed the deductibility of transportation expenses for Donald Fausner, an airline pilot, who drove to work with a flight kit bag and overnight bag. The court ruled that expenses related to carrying these bags were deductible, following the precedent set in Sullivan v. Commissioner. However, payments to parochial schools for children's education were deemed non-deductible personal expenses. Additionally, the court allowed deductions for interairport travel but denied deductions for transportation to proficiency tests and union meetings, as these were not proven to be educational in nature.

Facts

Donald W. Fausner, an airline pilot employed by American Airlines, drove to and from work carrying a 40-pound flight kit bag containing required manuals, maps, and charts, as well as an overnight bag for FAA-mandated layovers. He made 82 round trips from his home to LaGuardia Airport and 30 trips between LaGuardia and JFK Airport. Fausner also paid tuition and book expenses for his children's education at parochial schools, which he claimed as charitable contributions. He sought to deduct $105 for transportation to work, $45 for interairport travel, and $236. 70 for educational expenses related to proficiency tests and union meetings.

Procedural History

The Commissioner of Internal Revenue determined a deficiency in the Fausners' 1965 income tax and disallowed the deductions claimed. The Fausners filed a petition with the U. S. Tax Court challenging the Commissioner's determination. The Tax Court reviewed the case and issued a decision under Rule 50, allowing partial deductions for transportation expenses related to carrying work tools and interairport travel but disallowing deductions for school payments and educational expenses.

Issue(s)

1. Whether payments to parochial schools for tuition and books qualify as deductible charitable contributions.
2. Whether Donald Fausner can deduct a portion of the costs of transportation between his residence and place of employment attributable to carrying his flight kit bag and overnight bag.
3. Whether Donald Fausner can deduct the costs of transportation between LaGuardia and JFK airports.
4. Whether Donald Fausner can deduct transportation costs related to proficiency

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tests, physical examinations, union meetings, and recurrent training as educational expenses.

Holding

1. No, because the payments were personal expenses for the education of Fausner's children and not charitable contributions under section 170 of the Internal Revenue Code.
2. Yes, because the portion of transportation expenses attributable to carrying the flight kit bag and overnight bag is deductible as a business expense under section 162(a), following Sullivan v. Commissioner.
3. Yes, because the interairport travel expenses were ordinary and necessary business expenses under section 162(a).
4. No, because the activities were not shown to be educational and thus the costs of transportation and meals were not deductible as business expenses.

Court's Reasoning

The court applied section 170 of the Internal Revenue Code, which defines charitable contributions, and found that the payments to parochial schools were personal expenses for the benefit of Fausner's children, not charitable contributions. For the transportation expenses, the court followed the Second Circuit's precedent in Sullivan v. Commissioner, which allowed deductions for transportation costs attributable to carrying work tools. The court determined that $105 was a reasonable amount to allocate to the business portion of Fausner's commuting expenses. The interairport travel was deemed deductible as an ordinary and necessary business expense under section 162(a). However, the court rejected the educational expense deductions because Fausner failed to show that the activities he traveled to were educational in nature or that the transportation was between job locations rather than from home to his usual place of employment.

Practical Implications

This decision clarifies that taxpayers may deduct a portion of commuting expenses if attributable to carrying work-related tools or equipment, but not if solely for wearing a uniform. It also affirms that interairport travel for work-related purposes is deductible. However, it underscores that payments for children's education are personal expenses and not charitable contributions. For legal practitioners, this case highlights the importance of distinguishing between personal and business expenses, and the need for clear evidence when claiming deductions for educational activities. Subsequent cases have cited Fausner in addressing the deductibility of transportation expenses related to work tools and equipment.

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