Hitt v. Commissioner, 55 T. C. 628 (1971)

Commuting expenses are not deductible even if an employee must transport work-related equipment, unless the equipment's transportation incurs additional costs beyond normal commuting.

Summary

In Hitt v. Commissioner, Robert A. Hitt, an airline pilot, sought to deduct his automobile expenses for commuting to the airport, arguing that he needed to transport a flight bag required by his employer. The court held that these expenses were nondeductible personal commuting costs under Section 262 of the Internal Revenue Code, as Hitt would have driven to work regardless of the need to transport his flight bag. The decision clarified that commuting expenses remain nondeductible unless the necessity of transporting work-related items causes additional expense beyond what would be incurred for commuting alone.

Facts

Robert A. Hitt was employed as a flight officer by United Airlines in 1967. He lived in Commack, NY, and later Fort Lauderdale, FL, commuting to Kennedy or LaGuardia airports in New York and Miami International Airport in Florida. Hitt transported a flight bag containing required equipment and a personal suitcase. He drove his car because adequate public transportation was unavailable, and he would have driven regardless of the need to carry the flight bag.

Procedural History

Hitt and his wife filed a joint Federal income tax return for 1967, claiming a deduction for his commuting expenses. The Commissioner of Internal Revenue disallowed the deduction, asserting it was a nondeductible personal expense under Section 262. The case was then brought before the United States Tax Court, which upheld the Commissioner's determination.

Issue(s)

1. Whether the expenses incurred by Robert A. Hitt in driving his automobile between his home and place of employment are deductible under Section 162 of the Internal Revenue Code as ordinary and necessary business expenses.

Holding

1. No, because the expenses were nondeductible personal commuting expenses under Section 262, as Hitt would have driven his car to work even if he did not need to transport his flight bag, incurring no additional expense due to the transportation of work-related items.

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Court’s Reasoning

The court applied the “commuter rule,” which classifies commuting expenses as nondeductible personal expenses under Section 262. It distinguished cases where transportation of bulky or heavy equipment might justify a deduction if the taxpayer would not have used their car but for the equipment’s necessity. Here, Hitt’s choice to drive was independent of the need to carry his flight bag, and thus, the entire expense was deemed personal. The court cited Commissioner v. Flowers and Sullivan v. Commissioner, emphasizing that no deduction should be allowed if commuting costs would have been incurred regardless of equipment transport. The decision also noted that the flight bag’s contents were not shown to be exceptionally heavy or cumbersome, further supporting the non-deductibility of the expenses. Dissenting opinions highlighted alternative views on when commuting expenses might be deductible, but the majority’s ruling was clear that no deduction was warranted in Hitt’s case.

Practical Implications

This decision reinforces the principle that commuting expenses are generally nondeductible, even when work-related equipment must be transported. It impacts how employees, particularly those in professions requiring the transport of tools or equipment, should approach their tax filings. Legal practitioners must advise clients on the strict application of the commuter rule, ensuring they understand that only additional costs directly attributable to equipment transport may be deductible. The ruling has implications for businesses, as it may affect how they structure employee compensation or provide transportation alternatives. Subsequent cases, like Fausner v. Commissioner, have highlighted circuit court variances in interpreting these rules, suggesting that geographic location can influence the deductibility of similar expenses.

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