Arthur C. Puckett, Jr. and Dorothy W. Puckett v. Commissioner of Internal Revenue, 56 T. C. 1092 (1971)

A taxpayer with dual employment may deduct travel expenses between two separate job locations if the travel is necessitated by the demands of one of the employments.

Summary

Arthur Puckett, a postmaster and National Guard officer, sought to deduct expenses for travel, meals, and lodging while attending a military training school at Fort Knox, and for weekend trips back to his postmaster duties in LaVergne. The Tax Court denied deductions for meals and lodging at Fort Knox due to lack of substantiation and because these were considered personal expenses. However, it allowed deductions for the weekend travel to LaVergne, deeming these trips necessary for his postmaster duties. The case illustrates the conditions under which travel expenses can be deducted when an individual has two separate employments.

Facts

Arthur C. Puckett, Jr. , served as the postmaster of the LaVergne, Tennessee post office and was also an officer in the Tennessee National Guard. In 1967, he attended a Reserve Officers Training School at Fort Knox, Kentucky, for approximately five months, using various types of leave from his postmaster position. While at Fort Knox, Puckett received a subsistence allowance and a quarters allowance, and he lived in Bachelor Officers' Quarters (BOQ). He returned to LaVergne each weekend to fulfill his postmaster responsibilities. Puckett claimed deductions for travel, meals, and lodging expenses related to his military service and for the weekend trips to LaVergne.

Procedural History

The Commissioner of Internal Revenue determined deficiencies in Puckett's income tax for 1966 and 1967. Puckett petitioned the U. S. Tax Court, which upheld the deficiencies for 1966 and partially upheld them for 1967. The court allowed deductions for weekend travel to LaVergne but denied deductions for meals and lodging at Fort Knox due to lack of substantiation and because these were considered personal expenses.

Issue(s)

1. Whether a member of the National Guard on temporary military duty may deduct expenses for transportation, meals, and lodging at the military duty location?
2. Whether the same member may deduct automobile expenses for trips required by his permanent employment while on such military duty?

Holding

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1. No, because the taxpayer failed to provide required substantiation for these expenses and they were considered personal expenses not reimbursable under the military allowances received.
2. Yes, because the taxpayer's weekend travel to LaVergne was necessary to fulfill his postmaster responsibilities and was not reimbursed.

Court's Reasoning

The court applied section 162(a)(2) of the Internal Revenue Code, which allows deductions for travel expenses while away from home in the pursuit of a trade or business. However, section 274(d) requires substantiation of such expenses, which Puckett failed to provide for his meals and lodging at Fort Knox. The court ruled that these expenses were personal and not deductible, as Puckett was stationed at Fort Knox and received allowances intended to cover such costs. For the weekend trips to LaVergne, the court found these necessary for Puckett's postmaster duties, distinguishing them from personal travel. The court relied on cases like *Joseph H. Sherman, Jr.* and *Walter F. Brown* to support the deductibility of travel expenses between two separate job locations. The dissent argued that the weekend travel was not required by Puckett's postmaster duties and thus should not be deductible.

Practical Implications

This decision clarifies the conditions under which travel expenses can be deducted for individuals with dual employment. Practitioners should ensure clients can substantiate all travel expenses and understand that expenses at a temporary duty station are generally not deductible if considered personal, even if allowances are received. The ruling emphasizes the importance of distinguishing between personal and business travel, especially when an individual has multiple employments. It also affects how similar cases involving dual employment and travel should be analyzed, with a focus on the necessity of the travel for one of the employments. Subsequent cases have applied this principle to determine the deductibility of travel expenses in similar dual employment scenarios.

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