

Business Traveling & Taxes Tips & Tricks

When you are traveling for business, it can be difficult to keep track of expenditures, but if you are not doing so you are missing out on some great deductions for your business. To make sure that you are following the law when it comes to business tax deductions (especially with travel) make sure to consult your tax professional. The tips and tricks below are to get you started on the right path!

Always Keep a Record

The IRS requires that lodging always has a record to go with it. Many hotels have a digital check out feature (usually accessible through the TV) so make sure that you have a paper copy you can put into your records. Make sure that it has the amounts, dates and what type of expense on it. One thing to note is that any in-room service (IE dining) is separate from your lodging bill and is deducted as "meal expenses" which have their own stipulations.

Keep an Expense Diary

You can download expense report software for your phone (often for free) so that you can keep detailed records of your traveling and expenses. Put in all the details so that you have a record and keep your receipts. This includes cash (like for your morning coffee). Without details you don't have an evidence chain to show on your taxes. Forgetting to write down your expenses can often result in you getting home and wondering what that \$30 was from. The extra minute or two can go a long way in saving you money!

Meals

Meals can be tricky, and have certain requirements like they are only deductible if the trip is overnight or long enough that you need to stop for sleep/rest. Again, a record in the form of receipt is best instead of just having a 'standard meal allowance'. Generally meals are only covered 50%, so it can be helpful to check before you travel to ensure that you have all the information and aren't stuck holding the bill at the end of the year!

Hey Honey You are Coming With!

Unfortunately deductions are often denied for spouses unless they are an employee of your business or are traveling for a business person. This can be a large grey area, so again- check with your tax professional on this. When it comes to lodging, hotels often don't distinguish between single to double occupant and same thing for vehicles. Meals or flights can be the tricky part as those are often where the extra expense is shown. Also check to see if there are other reasonable deductions for your partner to come with you, for example they might be able to deduct the cost of their travel on their own taxes.

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Trying to figure out how to keep it all moving forward? PCG's Strategic Consultants will help you take a step back from your business, laser-focus on the details of what's working (and what isn't) and take a big picture approach to creating your strategic solutions. With our help traveling for work doesn't have to be such a chore!