

Tax Preparation Service

<http://www.taxpreparationservicemn.com>

Call (612) 791-2320 for an appointment.

Flight Crew Tax Deductions

Personal expenses are not deductible A personal expense is one you would incur even if you did not have your job. Certain expenses, such as your cell phone bill or internet, are likely part personal and part business. You should determine a percentage for such expenses that you consider to be justifiable as business related.

Travel expenses are those expenses incurred while on a work-related trip. Commuting expenses are generally not deductible. The exception to this delves into the Concept of a temporary assignment. You can read more about temporary assignments in IRS Publication 463. Note that travel expenses are described extensively in Publication 463.

You are ultimately responsible for determining what is and is not deductible. Note that just because an item is listed on a worksheet does not necessarily mean it is deductible. Individual circumstances are a key factor in determining whether or not the expenses we list are deductible. You should read through the applicable sections of the tax code to get a better understanding. It is up to you to provide us with all of the facts regarding each deduction.

Expenses must be ordinary and necessary for your line of work.

The expense must be ordinary. An ordinary expense is one that is common and accepted in your field of trade, business, or profession. Examples of ordinary expenses for pilots and flight attendants include items like calculators, a water bottle holder, an id holder, uniform expenses, etc.

1. The expense must be necessary. A necessary expense is one that is helpful and appropriate for your business. An expense does not have to be required to be considered necessary. If an expense passes the ordinary test, ask yourself if it is necessary (i.e. helpful and appropriate for your business.) The four example expenses listed above are all helpful and appropriate, and they therefore pass the necessary test.

2. The expense must not be personal. A personal expense is one that you would likely have incurred even if you were not employed. If an expense would only have been incurred because of the job, it then passes the ordinary test. Examples that crew members often try to deduct, but fail the ordinary test are socks, underwear, haircuts, and wristwatches. None of these items can be deducted. Obviously they all pass the ordinary and necessary tests, but they all fail the personal test. You would incur the expense even if you weren't employed. Wristwatches are specifically listed in the tax code as a non deductible item.

3. The expense must not be prohibited by the tax code. Sometimes an employee business expense can pass all three of the tests above, yet still not be deductible. Take a wristwatch for example. A wristwatch can certainly be argued to be ordinary and necessary for airline pilot tax or flight attendant tax purposes. Furthermore, a pilot or flight attendant could argue that a wristwatch is not personal because they only bought it because of their airline employment. But unfortunately for all of the airline pilots and flight attendants with expensive wristwatches, IRS Publication 529 of the tax code specifically says that wristwatches cannot be deducted for any reason.

Only Noncommuting and Nonovernight Transportation Related Expenses

- Bus Fare
- Car Rental
- Parking Fee
- Taxi
- Toll
- Train Fare
- Trip Pass
- Other

Travel Expenses You Paid for While Away From Your Tax Home

- ATM Fees on Overnight
- Check Cashing Fee on Overnight
- Internet Access Fee on Overnight
- Tip for Van Driver (Airport/Hotel Transportation)
- Washing Clothes on Overnight
- Other

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Job Searching Expenses in Your Present Line of Work

- Application Fee
- Car rental for interview
- Interview prep fee
- Lodging for interview
- Other interview related costs
- Suit for interview
- Website subscription for job search
- Other

Uniform Upkeep

- Alterations
- Drycleaning
- Home Laundering
- Shoe Repair
- Shoe Shines
- Other

Equipment/supplies

Type Rating Expenses

- Lodging for type-rating (receipt always required)
- Other type-rating related costs
- Rental car for type-rating
- Type rating fee
- Other

Other Training Related Expenses

- Books for training
- Lodging for training
- Other

Uniform Purchase Expenses

- Belt
- Blouse
- Boots
- Coat
- Dress
- Epaulets
- Gloves
- Hat
- Jacket
- Pants
- Scarf
- Serving Garment
- Shirts
- Shoes
- Skirt
- Wings
- Other

- Alarm Clock
- Calculator
- Cockpit Keys
- Cockpit Supplies, Maps, etc.
- Company business cards
- Crew ID Holder
- Crew ID Tag
- Curling Iron
- Flashlight
- Flashlight Batteries
- Foreign Visa
- Hair Dryer
- Headset/Earpiece
- International Currency Converter
- International Voltage Converter
- Iron (Portable)
- Jepp Binders
- Jepp Inserts
- Jetbridge Keys
- Logbook software
- Logbooks, (red & black books)
- Luggage (rollerboards, suitcase, etc.)
- Manual Replacement
- Passport/photo/renewal
- Personal Organizer
- Portable Security Device
- Portable Smoke Detector
- Sunglasses
- Wheels for Luggage
- Other

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Telephone

- Answering Machine
- Cell phone purchase
- Cell Phone Usage Fee (Monthly Bill)
- Company copy/fax costs
- Company phone/mailing costs
- Computer Printer Supplies
- Internet Fee (Monthly Bill)
- Other

Services

- Bid Service
- Logbook Service
- Other

Professional Publications

- Foreign Language Expense
- Profession-related magazine
- Profession-related website subscription
- Other

Profession-Related Fees

- Drug Testing Fees
- Dues for Professional Organizations
- FAA Medical Exam
- Loss of Licence Insurance (pre-tax only)
- Union Dues
- Union Initiation Fees

FFDO Related Expenses

- Ammunition
- Carrying Case
- Clips
- Document Holder
- FFDO Lodgin Expenses
- FFDO Membersips
- FFDO Publications
- Holster
- Holster Belt
- Medical
- Range Fees
- Training Costs
- Weapon
- Other

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