

Employee Business Deductions Checklist

Not sure just what you can deduct? Here's a list of common expenditures that are deductible for employees. Remember that you can't deduct expenses for which you were reimbursed: keep careful records of the expenses that you weren't reimbursed for, and deduct those on Form 2106, Employee Business Expenses, or Schedule A, line 20.

What you can deduct if you're an employee:

- Books for your trade or profession
- Business liability insurance premiums
- Damages you pay to a former employer for a breach of employment contract
- Depreciation on job-related equipment that you purchased (see restrictions below)
- Dry cleaning costs for your uniforms or protective clothing (not for your everyday clothing, though)
- Dues to a professional organization for people in your profession
- Dues to chambers of commerce and similar organizations if the membership helps you carry out your job duties and the organization's main purpose isn't to provide entertainment or entertainment facilities
- Educational expenses related to your present job
- Entertaining costs (only 50% of the cost is deductible)
- Expenses for an office in your home IF part of the home is used regularly and exclusively for your work, AND use of your home office is for the convenience of your employer
- Gifts, but only up to \$25 per recipient (except for token items such as imprinted pens)
- Job dismissal insurance premiums
- Job hunting expenses (explained below)
- Licenses paid to state or local governments
- Meals (only 50% of the cost is deductible)
- Medical exams required by your employer
- Occupational taxes if they're charged at a flat rate by your city or other local government for the privilege of working in that area
- Protective clothing and gear
- Regulatory fees for your profession
- Research expenses incurred by a college professor
- Safety equipment, such as hard hats, safety glasses, safety boots, and gloves
- Specialized clothing designed for your job, as long as they're not suitable for everyday wear
- Subscriptions to publications for your trade or profession
- Supplies you use in your job
- Tools you use in your job

- Transportation between your home and a temporary work location if you have no regular place of work but you ordinarily work in the metropolitan area where you live and the temporary work location is outside that area
- Transportation between your home and a temporary work location if you have at least one regular workplace for this employment. It doesn't matter how far away the temporary location is in this case.
- Transportation from one job to another if you work two places in one day
- Traveling costs incurred while away from home on business for your employer
- Traveling costs paid in connection with a temporary work assignment
- Uniforms (except if you're full-time active duty in the armed forces)
- Union assessments for benefit payments to unemployed union members
- Union dues
- Union initiation fees

Job hunting expenses

You can deduct expenditures you make while looking for a new job as long as you're looking for a job in your present line of work (i.e., you're not changing professions).

Examples of expenses incurred while searching for a new job:

1. Resume preparation (drafting, typing, printing, mailing, faxing)
 2. Employment agency fees
 3. Executive recruiters' fees
 4. Portfolio preparation costs
 5. Career counseling to assist you in improving your position
 6. Legal and accounting fees you pay in connection with employment contract negotiations and preparation
 7. Advertising
 8. Transportation costs to job interviews
 9. Long distance calls to prospective employers
 10. Newspapers you purchase to read the employment ads
 11. Other business publications you purchase to read the employment ads
 12. Half of your meals you pay for that are directly related to your job search
 13. If you take a trip away from home to look for a new job, your expenses for traveling, lodging, meals (50% of the cost), etc. are deductible only if the primary purpose of your trip is to look for a job. To substantiate the purpose of your trip, keep a daily log of your interviews, application efforts, etc.
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