

TAX DEDUCTIONS

for Firefighters



Occupational Series



Guns & Hoses

Expenses

PROFESSIONAL FEES & DUES

Dues paid to professional societies related to your occupation as a firefighter are deductible. However, the costs of initial admission fees paid for membership in certain organizations or social clubs are considered capital expenses.

Deductions are allowed for payments made to a union as a condition of initial or continued membership. Such payments include regular dues, but not those that go toward defraying expenses of a personal nature. However, the portion of union dues that go into a strike fund is deductible.



UNIFORMS & UPKEEP

Generally, the costs of your firefighter uniforms are fully deductible. IRS rules specify that work clothing costs and the cost of maintenance are deductible if: (1) the uniforms are required by your employer (if you are an employee); and (2) the clothes are not adaptable to ordinary street wear. The cost of protective clothing (e.g. safety shoes or goggles) is also deductible.

PHONE

The basic local telephone service costs of the first telephone line in your residence are not deductible. However, toll calls from that line are deductible if the calls are business-related. The costs (basic fee and toll calls) of a second line in your home are also deductible if the line is used exclusively for business.

AUTO & TRAVEL

Your auto expenses are based on the number of qualified business miles you drive. Expenses for travel between business and locations or daily transportation expenses between your residence and temporary work locations are deductible; include them as business miles. Expenses for your trips between home and work each day, or between home and one or more regular places of work, are COMMUTING expenses and are NOT deductible.

Document business miles in a record book as follows: (1) give the date and business purpose of each trip; (2) note the place to which you traveled; (3) record the number of business miles; and (4) record your car's odometer reading at both the beginning and end of the tax year. Keep receipts for all car operating expenses—gas, oil, repairs, insurance etc. and any reimbursement you received for your expenses.

Expenses

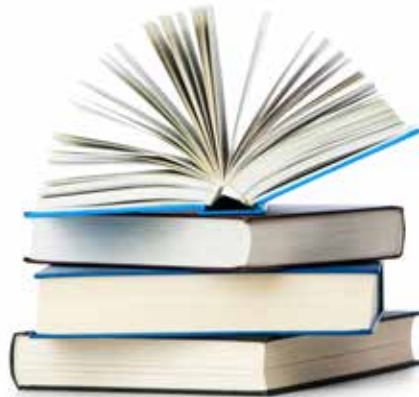
EQUIPMENT & REPAIRS

Generally, to be deductible, items must be ordinary and necessary to your job as a firefighter and not reimbursable by your employer. Record separately from other supplies the costs of business assets that are expected to last longer than one year and cost more than \$100. Normally, the costs of such assets are recovered differently on your tax return than are other recurring, everyday business expenses such as flashlights, batteries and other supplies.



CONTINUING EDUCATION

Educational expenses are deductible under either of two conditions: (1) your employer requires the education in order for you to keep your job or rate of pay; or (2) the education maintains or improves your skills as a firefighter. Costs or courses that are taken to meet the minimum requirements of a job, or that qualify you for a new trade or business, are NOT deductible.



OUT-OF-TOWN TRAVEL

Expenses accrued when traveling away from “home” overnight on job-related and continuing education trips are deductible. Your “home” is generally considered to be the entire city or general area where your principal place of employment is located. Out-of-town expenses include transportation, meals, lodging, tips and miscellaneous items like laundry, valet, etc.

Document away-from-home expenses by noting the date, destination and business purpose of your trip. Record business miles if you drove to the out-of-town location. In addition, keep a detailed record of your expenses - lodging, public transportation, meals, etc. Always list meals and lodging separately in your records. Receipts must be retained for each lodging expense. However, if any other business expense is less than \$75, a receipt is not necessary if you record all of the information in a timely diary. You must keep track of the full amount of meal and entertainment expenses even though only a portion of the amount may be deductible.

MISCELLANEOUS

House dues and meal expenses may be deductible. Firefighters are often required to eat their meals at the station house. One court case (Sibla) said that the costs of such meals are nondeductible unless the firefighters: (1) are required to make payments to a common mess fund as a condition of employment, and (2) must pay whether or not they are at the station house to eat the meals.

The expense of looking for new employment in your present line of work are deductible—you do not have to actually obtain a new job in order to deduct the expenses. Out-of-town job-seeking expenses are deductible only if the primary purpose of the trip is job seeking, not pursuing personal activities.

Catch-Up Deferrals: A governmental §457(b) plan may allow age-50 catch-ups of an additional \$6,000 in 2017.

Special §457(b) Catch-Up Deferrals: The plan may allow a special “last 3-year catch-up,” which allows you to defer in the three years before you reach the plan’s normal retirement age:

- twice the annual §457(b) limit (in 2017, $\$18,000 \times 2 = \$36,000$), or
- the annual §457(b) limit, plus amounts allowed in prior years that you didn’t contribute.

If a governmental §457(b) allows both the age-50 catch-up and the 3-year catch-up, you can use the one that allows a larger deferral but not both.



§457(b) PLAN PARTICIPANTS

Elective Deferrals: In 2017, you may defer the lesser of \$18,000 or 100% of your includible compensation to a §457(b) plan. The plan may also permit catch-up contributions.

SUMMARY

In order to deduct expenses in your trade or business, you must show that the expenses are “ordinary and necessary.” An ordinary expense is one that is customary in your particular line of work. A necessary expense is one that is appropriate but not necessarily essential in your business. The application of these terms to you relies heavily on the “facts and circumstances” of your unique situation.

We believe our firm is equipped to defend your reasonable expenses. Unlike tax preparers who tell you what you want to hear so you won’t go to another preparer who “deducts everything,” we are going to only tell you what we know to be true.

TAX DEDUCTIONS

for Firefighters

Professional Fees & Dues

Association Dues	\$
House Dues (Sibla 1980, CA9) 611 F2d 1260, 80-1 USTC	\$
Union Dues	\$
Other:	\$
Other:	\$

Uniforms & Upkeep Expenses

Alterations	\$
Boots	\$
Cleaning	\$
Emblems	\$
Gloves	\$
Hat	\$
Helmet	\$
Jacket	\$
Laundry	\$
Pants	\$
Repairs	\$
Shirts	\$
Shoes	\$
Ties	\$
Whistle	\$
Other:	\$
Other:	\$

Phone Expenses

Cellular Calls	\$
Paging Service	\$
Pay Phone	\$
Toll Calls	\$
Other:	\$
Other:	\$

Auto Travel

Between 1st and 2nd Job (mi)	\$
Between Stations (mi)	\$
Continuing Education (mi)	\$
Out-of-Town Business Trips (mi)	\$
Purchasing Equipment & Supplies (mi)	\$
Uniform Cleaning & Maintenance (mi)	\$
Parking Fees (\$)	\$
Tolls (\$)	\$
Other:	\$
Other:	\$

Equipment & Repairs

Answering Machine	\$
Batteries	\$
Beeper	\$
Binoculars	\$
Briefcase	\$
Flashlight	\$
ID Case	\$
Key Strap	\$

continued

Map Book	\$
Notebook	\$
Pager	\$
Polish	\$
Recorder	\$
Repairs - Equipment	\$
Safety Equipment	\$
Safety Glasses	\$
Tapes - Recording	\$
Other:	\$
Other:	\$

Continuing Education

Correspondence Course Fees	\$
Materials & Supplies	\$
Registration	\$
Seminar Fees	\$
Supplies	\$
Textbooks	\$
Training Sessions	\$
Other:	\$

Out-of-Town Travel

Airfare	\$
Bridge & Highway Tolls	\$
Bus & Subway	\$
Car Rental	\$
Laundry	\$
Lodging (do not combine with meals)	\$
Meals (do not combine with lodging)	\$
Parking	\$
Porter, Bell Captain	\$
Taxi	\$
Telephone Calls (including home)	\$
Train	\$
Other:	\$

Miscellaneous Expenses

Errors and Omissions Insurance	\$
Job Seeking	\$
Legal (Protection and production of taxable income)	\$
Liability Insurance	\$
Professional Subscriptions	\$
Other:	\$
Other:	\$

EXPENSES WHICH ARE NOT DEDUCTIBLE

1. Civilian clothes – this means no suits/dress clothes, work out clothing, running or gym shoes. The IRS is now enforcing to the letter the requirement that to be deductible an item of clothing must be part of a distinctive uniform and cannot be suitable for every day street wear.
2. Gym fees or the purchase of fitness equipment
3. Haircuts
4. On duty meals
5. Wristwatch
6. Home telephone
7. Laptop computers – in order to successfully deduct a laptop computer you must obtain a letter from your employer to the effect you were required to purchase the computer as a condition of employment, and that the employer will not provide reimbursement for this purchase.



WHY ITEMS MAY NOT BE DEDUCTIBLE

Common sense says that if an item is required by your employer it should be deductible – a suit for a detective assignment or a wristwatch. And this is in the fact the basis for Internal Revenue Code §162, which allows you, as an employee to deduct ordinary and necessary, unreimbursed expenses of your job. But unfortunately that is not the end of it. The IRS maintains, and the courts have asserted, that a different section, Internal Revenue Code §262 trumps the “ordinary and necessary” language of §162. Section §262 simply prohibits the deduction of personal expenses, and everything on the list above is considered a personal expense, either through an IRS Revenue Ruling or a court decision. Nor does it matter, for instance, that you would never wear a suit if you did not have to go to court – it is still a personal expense. The IRS has become much stricter in this area, as well as in the area of charitable contributions in the past several years, which is why you may have seen some of these items on other checklists for a prior year.

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