

OASIS Alert

Conferences: Don't Overlook Tax Write-Offs for Conferences

Learn how you can boost your career and get a deduction.

If your employer reimburses all of your conferencerelated expenses, you're home free. But if you end up with non-reimbursed expenses as an employee or independent contractor, you may be able to deduct them from your taxable income.

To be deductible, the conference subject matter doesn't have to be "extremely close" to the person's profession, says **John Stancil**, a professor of accounting at **Florida Southern College** in Lakeland, Fla., who also has a CPA practice specializing in taxes. For example, a nurse who is not a supervisor "could [go to] a conference on nursing administration with a view to moving into administration at some point in the future," Stancil tells **Eli**.

"The main restriction would be that the conference cannot prepare the person for a new job or profession," adds Stancil. "For example, if an LPN were taking courses that qualified him/her to become an RN," the **IRS** would interpret that as a new profession and wouldn't allow the person to deduct it as an employee business expense.

What is deductible? "The IRS terminology is 'ordinary and necessary,'" Stancil relays. "Ordinary means that it is common and accepted in the taxpayer's line of work. Necessary means that it is helpful and appropriate for work. This is a 'facts and circumstances' determination that basically tries to make certain that the expenses are workrelated and not extravagant. The real key here is that it should be 'work related' and not a personal expenditure."

As for deducting meals, the costs "should be reasonable in amount and not extravagant," he says. "With meals and entertainment, however, the deduction is limited to 50 percent of the amount."

The downside: You can only deduct nonreimbursedbusiness expenses, including mileage reimbursed belowthe currently allowed \$ 0.50 per mile, as miscellaneous itemized deductions, cautions Stancil. "You would deduct whichever amount is greater -- the standard deduction or the total of itemized deductions (medical, interest expense, taxes, charitable contributions, and miscellaneous)." Secondly, you can only deduct the expenses that exceed 2 percent of your adjusted gross income, Stancil counsels.

If a professional is employed but also has a consulting or other business, the person could deduct conference expenses related to the business. But you have to keep the expenses related to the consulting business and the employment separately, Stancil says. "The portion related to the consulting business would be deductible on the person's Schedule C where you report the earnings and expenses from the business."

Some professionals like to coordinate their conferencegoing with pleasure travel. If family or a travel companion stays with you in the hotel during the conference, you can deduct the full cost of the room, unless there's an additional charge for an extra person, Stancil counsels. If so, you wouldn't deduct the extra charge. You can fully deduct the mileage for the businessportion of the trip, he adds.