## IMPORTANT NOTICE

New rules on proof of deductions for travel, entertainment, and gift expenses are now in effect. The rules are set forth in detail in Publication No. 463 (Rev. 10/64), which can be obtained at any Internal Revenue Service office. For employees, the general rules are: (1) If you have adequately accounted to your employer you will not again be required to provide proof to support your deduction; (2) If you have not made an accounting to your employer you must have complete, accurate, and current records—Estimates are not acceptable; and (3) Records must be supported by receipts, paid bills or similar substantiating evidence for expenditures of $25 or more, and generally for lodging while traveling away from home regardless of the amount.

If, as an employee, you were required to travel and incur business expenses, or to incur transportation, outside salesman or education expenses during the taxable year, use of this form will help to determine your correct deduction for income tax purposes. Include all expenses you paid or incurred as an employee, or expenses which you charged to your employer (for example, through the use of credit cards), or expenses for which you received an advance, allowance, or reimbursement. For a more detailed explanation of these expenses, see page 7 of the instructions for Form 1040. Use Form 3903 for computation of the moving expense deduction.

### Your name

Address

Employer's name

Address

### State occupation in which expenses were incurred

#### A. Employee business expenses which are deductible in computing total income (line 9, page 1, of Form 1040).

1. Travel expenses while away from home on business: (Number of days ________)
   - (a) Railroad, airplane, boat, etc., fares $ ____________
   - (b) Meals and lodging $ _____________________________
   - (c) Automobile expenses (from Schedule A) $ __________
   - (d) Other travel expenses (specify) $ ____________
   - Total travel expenses $ _____________________________

2. Local transportation expenses (not between home and work):
   - (a) Local bus, streetcar, and taxi fares $ ____________
   - (b) Automobile expenses (from Schedule A) $ __________
   - (c) Other (specify) $ _____________________________
   - Total local transportation expenses $ _____________________________

3. Outside salesmen's expenses:
   - (a) Automobile expenses (from Schedule A) $ __________
   - (b) Other (specify) $ _____________________________
   - Total outside salesmen's expenses $ _____________________________

4. Employees' expenses other than traveling, transportation and outside salesmen's expenses to the extent of the reimbursement

5. Total of lines 1, 2, 3, and 4 $ _____________________________

6. Less: Amount of employer's payments for above expenses $ _____________________________

7. Excess expenses (line 5 less line 6) $ _____________________________, or excess employer payments (line 6 less line 5) $ _____________________________

   Enter excess expenses on line 3, Part III, page 2, Form 1040.

   Report excess employer payments on line 8, Part I., Page 2, Form 1040 as “Excess Reimbursements.”

### B. Employee business expenses which are deductible if you itemize deductions in Part IV, page 2, Form 1040.

1. Business expenses other than those included above (specify) $ _____________________________

2. Total $ _____________________________

If you itemize your deductions, rather than elect to use the standard deduction, deduct expenses under “Other Deductions” in Part IV, page 2, Form 1040.
SCHEDULE A—AUTOMOBILE EXPENSES

Note: Use either the Regular or the Optional method in computing your automobile expenses.¹

A. Total mileage for the year ........................................... miles
B. Portion applicable to business ....................................... miles

Regular method:
1. Gasoline, oil, lubrication, etc ....................................... $...........................
2. Repairs ...........................................................................
3. Tires, supplies, etc ...........................................................
4. Other (specify) (do not include parking, fees and tolls) ...................................................
5. Total ............................................................................ $...........................
6. Percentage of expense applicable to business (line B above divided by line A above) %
7. Business portion (line 5 multiplied by line 6) $...........................
8. Depreciation from Schedule C, col. (h) .............................................................
9. Total (line 7 plus line 8) (see line 15) ...................................................

Optional method:
10. Enter 15,000 miles or the mileage on line B above, whichever is smaller ........................................... miles
11. Multiply line 10 by 10¢ and enter result here $...........................
12. Milege in excess of 15,000 (if any) ........................................... miles
13. Multiply line 12 by 7¢ and enter result here $...........................
14. Total (line 11 plus line 13) $...........................
15. Enter the amount from line 9 or line 14, whichever is used $...........................
16. Add parking fees and tolls (if any) here $...........................
17. Total deductible automobile expenses $...........................

¹The optional method cannot be used if: (a) depreciation has been claimed in a prior year using a method other than straight line (or where additional first-year depreciation has been claimed), or (b) you are claiming a deduction in excess of reimbursement received from your employer for automobile expenses.

*Allocate to appropriate sections of item A on page 1.

SCHEDULE B—COMPUTATION OF AUTOMOBILE BASIS

Note.—If the vehicle was acquired for cash only or by trade-in of another vehicle which was not used in business, complete only lines 10 through 15 below. If acquired by trade-in of another vehicle previously used in business, complete lines 1 through 15. (The basis for depreciation must be recomputed each succeeding year if the percentage of business use changes.)

Old Car Traded-In
1. (a) Total mileage accumulated ........................................... miles
(b) Portion applicable to business ........................................... miles
(c) Percentage applicable to business (line (b) divided by line (a)) %
2. Purchase price or other basis $...........................
3. Less: Trade-in allowance ...........................................
4. Difference (line 2 less line 3) $...........................
5. Line 4 multiplied by percentage on line 1 (c) $...........................
6. Less: Gain (or plus loss) on previous trade-ins $...........................
7. Difference (line 5 less line 6) $...........................
8. Depreciation allowed or allowable $...........................
9. Gain (line 8 less line 7) or loss (line 7 less line 8) on business portion of car $...........................

Present Car
10. Purchase price or other basis $...........................
11. Less: Estimated salvage value. (See page B–2 of instructions for Form 1040.) $...........................
12. Balance (line 10 less line 11) $...........................
13. Line 12 multiplied by percentage on line 6 of Schedule A $...........................
14. Less: Gain (or plus loss) on line 9 above $...........................
15. BASIS for computing depreciation $...........................

SCHEDULE C—DEPRECIATION OF AUTOMOBILE

<table>
<thead>
<tr>
<th>Make and style of vehicle</th>
<th>Date acquired</th>
<th>Basis (From line 15, Schedule B)</th>
<th>Age when acquired</th>
<th>Depreciation allowed in prior year</th>
<th>Method of computing depreciation</th>
<th>Rate (%) or life years</th>
<th>Depreciation deductible for this year</th>
</tr>
</thead>
</table>

SCHEDULE D—ADDITIONAL INFORMATION TO BE FURNISHED BY PERSONS CLAIMING A DEDUCTION FOR EDUCATION EXPENSES

1. Name and address of educational institution or activity

2. Was the education undertaken in order for you to retain your employment, salary, or status? [ ] Yes [ ] No. If “Yes,” attach a statement from your employer to this effect.

3. If your answer to question 2 is “No,” state the primary purpose of obtaining the additional education and show the relationship between the courses taken and your employment during the period.

4. List the principal subjects you studied at the educational institution shown in question 1 above or describe your educational activity.

5. If you were a candidate for a degree, what is the degree?