

▶ Attach to Form 1040.

Your name	Social security number	Occupation in which expenses were incurred
Employer's name ▶	Employer's address ▶	

### Instructions

Include all expenses you paid as an employee, or expenses you charged to your employer (for example, through use of credit cards), or expenses for which you received an advance, allowance, or reimbursement.

**Travel and Transportation.**—You can deduct bus, taxi, plane, train fares, and the cost of using your car in your work.

If you use your own car for business reasons, you can deduct what it cost you for business use. Instead of figuring your actual expenses such as gas, oil, repairs, license tags, insurance, and depreciation, you may prefer to take a standard mileage rate.

This is figured at 17 cents a mile (15 cents a mile for taxable years beginning after 1973 and before 1977) for the first 15,000 miles and 10 cents for each mile over 15,000. Add to this amount the business portion of automobile interest and State and local taxes (other than gasoline), parking fees, and tolls. (The nonbusiness portion of interest and State and local taxes (including gasoline) may be deducted as an itemized deduction if you elect to itemize your deductions). For automobiles that have been or are considered fully depreciated under the straight-line method of depreciation, the standard mileage rate is 10 cents a mile for all business mileage.

To determine if your automobile has been fully depreciated under the straight-line method of depreciation, apply the following rule.

If you use the optional method of computing operating cost of an automobile for the entire length of time that you use the automobile for business purposes, such period of time is the actual useful life of the automobile to you. The

automobile will not be considered to have become fully depreciated until the end of such useful life. However, if at any time during the period that you use the automobile for business purposes you computed and deducted the actual costs of all operating and fixed cost of the automobile for business purposes, the useful life of the automobile to you will be the estimated period on which you based your computation of the allowable straight-line depreciation deduction for the year. Thereafter, regardless of whether you use the actual cost method or the optional method for subsequent taxable years, the automobile will be considered fully depreciated at the end of the period estimated to be its useful life to you.

The use of the optional method is limited to a self-employed individual or an employee who operates only one automobile at a time for business purposes. If you alternate in using different automobiles on different occasions for business purposes or replace your automobile during the year, the standard mileage rate applies to the combined total business mileage of the automobiles, as if they were one, to arrive at a deduction.

The optional method cannot be used if you have claimed depreciation in a prior year using a method other than straight-line (or if you have claimed additional first-year depreciation), use the automobile for hire, such as taxicabs, or two or more automobiles used at the same time, such as in fleet operations.

Use of the optional method will not prevent you from claiming an investment credit so long as you can properly establish that the useful life of the automobile is at least 3 years (see Form 3468).

**Meals and Lodging.**—You can deduct these if you were temporarily away from home on busi-

ness. Your "home" for this purpose is your principal or regular post of duty. You cannot deduct the cost of meals on daily trips where you did not need sleep or rest.

**Outside Salesperson.**—In addition to the above, an outside salesperson can generally deduct other expenses necessary in sales work, for example, selling expenses, stationery, and postage. An outside salesperson is one who does all selling away from the employer's place of business. If your main duties are service and delivery, such as a milk driver-salesperson, you are not considered an outside salesperson.

**Other Business Expenses.**—If you itemize deductions on Schedule A, you can also deduct other business expenses under the heading "Miscellaneous deductions." Examples of these expenses are dues to unions and professional organizations and the cost of tools, materials, etc., that your employer did not pay for.

Limitations apply to deductions relating to the use of your home for business purposes. Under these rules, you must use a portion of your home as an office exclusively on a regular basis in connection with your employer's trade or business and for the convenience of your employer to be able to deduct the expenses allocable to that portion. For more information, see Publication 587, Business Use of Your Home.

There is a limitation on the amount of expenses that can be deducted for transportation, meals, lodging, etc. for attending no more than two foreign conventions during the taxable year.

For a detailed explanation of the rules for deductions for travel, entertainment, and gift expenses, see Publication 463, Travel, Entertainment, and Gift Expenses.

Use Form 3903 to compute any moving expense deduction.

### PART I.—Employee Business Expenses Deductible in Computing Adjusted Gross Income on Form 1040, Line 31

1 Airplane, boat, railroad, etc., fares . . . . .		
2 Meals and lodging . . . . .		
3 Automobile expenses (from Part IV) . . . . .		
4 Other (specify) (Include expenses not listed on lines 1 through 3 to extent of reimbursement) ▶		
5 Total of lines 1 through 4 . . . . .		
6 Less: Employer's payments for above expenses (other than amounts included on Form W-2) . . . . .		
7 Excess expenses (line 5 less line 6). Enter here and include on Form 1040, line 23 . . . . .		
8 Excess payments (line 6 less line 5). Enter here and include on Form 1040, line 20 . . . . .		

### PART II.—Employee Business Expenses which are Deductible if You Itemize Deductions on Schedule A (Form 1040)

1 Business expenses other than those included above (specify) ▶	
2 Total . . . . .	

If you itemize your deductions, deduct under Miscellaneous Deductions, Schedule A (Form 1040).

### PART III.—Additional Information to be Furnished When Claiming a Deduction for Educational Expenses

1 Name of educational institution or activity ▶

2 Address ▶

3 Were you required to undertake this education to meet the minimum educational requirements to qualify in your employment, trade or business?  Yes  No

4 Will the study program undertaken qualify you for a new trade or business?  Yes  No

5 If your answer to question 3 or 4 is No, state the reason for obtaining the additional education and show the relationship between the courses taken and your employment during the period ▶

6 List the principal subjects studied at the educational institution or describe your educational activity ▶

**PART IV.—Automobile Expenses (Use either the regular or the optional method.)**

	Automobile 1	Automobile 2	Automobile 3
A. Months automobile held for business use . . . . .	_____ months	_____ months	_____ months
B. Total mileage for months in A . . . . .	_____ miles	_____ miles	_____ miles
C. Portion of total mileage applicable to business . . . . .	_____ miles	_____ miles	_____ miles

**Regular Method:** (Include expenses only for the number of months indicated in A above.)

1 Gasoline, oil, lubrication, etc. . . . .	_____	_____	_____
2 Repairs . . . . .	_____	_____	_____
3 Tires, supplies, etc. . . . .	_____	_____	_____
4 Other: (a) Insurance . . . . .	_____	_____	_____
(b) Taxes . . . . .	_____	_____	_____
(c) Tags and licenses . . . . .	_____	_____	_____
(d) Interest . . . . .	_____	_____	_____
(e) Miscellaneous . . . . .	_____	_____	_____
5 Total . . . . .	_____	_____	_____
6 Percentage of expense applicable to business (line C above divided by line B above) . . . . .	_____ %	_____ %	_____ %
7 Business portion (line 5 multiplied by line 6) . . . . .	_____	_____	_____
8 Depreciation from Part VI, column (h) . . . . .	_____	_____	_____
9 Line 8 divided by 12 months . . . . .	_____	_____	_____
10 Multiply line 9 by A, above . . . . .	_____	_____	_____
11 Total (line 7 plus line 10) (see line 19) . . . . .	_____	_____	_____

**Optional Method:**

12 Enter 15,000 miles or the combined mileage on line C above, whichever is smaller . . . . .	_____ miles
13 Multiply line 12 by 17¢ and enter result . . . . .	_____
14 Any excess of the combined mileage of line C over 15,000 miles . . . . .	_____ miles
15 Multiply line 14 by 10¢ and enter result . . . . .	_____
16 Total mileage rate expense (line 13 plus line 15) . . . . .	_____
17 Business portion of automobile interest and State and local taxes (other than gasoline) . . . . .	_____
18 Total (line 16 plus line 17) . . . . .	_____

**Summary:**

19 Enter the combined total from line 11 or the amount on line 18, whichever is used . . . . .	_____
20 Add parking fees and tolls . . . . .	_____
21 Total. Enter here and in Part I, line 3 . . . . .	_____

**PART V.—Computation of Automobile Basis**

Old Car Traded In:			Present Car:	
1 (a) Total mileage accumulated . . . . .	_____ miles	10 Purchase price or other basis . . . . .	_____	
(b) Portion applicable to business . . . . .	_____ miles	11 Less: Estimated salvage value . . . . .	_____	
(c) Percentage applicable to business (line (b) divided by line (a)) . . . . .	_____ %	12 Balance (line 10 less line 11) . . . . .	_____	
2 Purchase price or other basis . . . . .	_____	13 Line 12 multiplied by percentage on line 6 of Part IV . . . . .	_____	
3 Less: Trade-in allowance . . . . .	_____	14 Less gain or plus (loss) on line 9 . . . . .	_____	
4 Difference (line 2 less line 3) . . . . .	_____	15 Basis for computing depreciation . . . . .	_____	
5 Line 4 multiplied by percentage on line 1(c) . . . . .	_____			
6 Less gain or plus (loss) on previous trade-in . . . . .	_____	<p><b>Note:</b> If you acquired the vehicle for cash only, or by trade-in of another vehicle not used in business, complete only lines 10 through 15. If acquired by trade-in of another vehicle previously used in business, complete lines 1 through 15. (Recompute the basis for depreciation each succeeding year if the percentage of business use changes.)</p>		
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 . . . . .	_____			

**PART VI.—Depreciation of Automobile**

Make and style of vehicle (a)	Date acquired (b)	Basis (From line 15, Part V) (c)	Age when acquired (d)	Depreciation allowed in prior years (e)	Method of computing depreciation (f)	Rate (%) or life (years) (g)	Depreciation for a year (h)