

# Your Personal Home Is Not Your Tax Home

The fact that your personal home is not your tax home is one income tax issue. Here’s another: Business travel is different from business transportation. Your tax deductions, tax strategies, and tax records hinge on the following federal income tax–defined terms:

- 1. Personal home
- 2. Tax home
- 3. Business travel
- 4. Business transportation

We know you don’t have an issue with your work deductions at the moment, but we want to make sure you are aware of what could happen if you moved your business location or personal home.

## Meanings

<b>Personal home</b>	<b>This is where you live.</b>
<b>Tax home</b>	This is where you maintain your principal place of work.
<b>Business travel</b>	You are in tax-deductible travel status when you travel away from your tax home overnight or long enough to require sleep.
<b>Business transportation</b>	You deduct business transportation as a cost of going to and from tax-deductible business destinations, whether in town or out of town.

## Five Good Things to Know

- 1. Have your personal home within 50 miles of your tax home.
- 2. When you have your personal home within 50 miles of your tax home, claim the home-office deduction under the administrative office rules so you can eliminate commuting to your outside-the-home office.
- 3. Deduct overnight business travel when you travel on business outside the area of your tax home.
- 4. If you have more than one business, the business on which you spend the most time and make the most money is the principal business. It’s the location of your tax home. Overnight travel outside the tax-home area of the principal business to a secondary business is deductible. For example, if you have your principal office in Worcester, Massachusetts, you can deduct your overnight travel to your second business in New York City.
- 5. If you have one business with multiple offices in different cities, the office where you spend the most time, do the most important things, and make the most money is your tax home. When you travel away from this office overnight to a secondary office, you are in business travel status.