

Deductions for Business Travel Expenses Need Support

If you intend to deduct business travel expenses on your income tax return, keep adequate records. If you are later audited, you will be able to substantiate your deductions. Your oral summary of your business expenses will not hold up to an IRS audit. Besides, audits are often a year or so after the events which make it more difficult to recall what took place if you don't have proper documentation.

The easiest way to keep good records is to do so near the time the expense was incurred. Consider using a large envelope for each trip to keep all receipts and other trip information. Take a few seconds to write the business purpose and/or customer names on the back of appropriate receipts. If you are lacking a specific receipt, write your account of the event, the date, and the money paid out and save it along with your other travel documentation. Take time also to document the business miles travelled.

If you maintain an expense report on a weekly basis for the expenses of that week, it will be considered a timely kept record for IRS purposes. If you account to your employer under an accountable plan, the rules are different.

To find more tax tips for individuals and businesses see our web site at <http://mangoldcpa.com/technical-briefs.asp> If your taxes have become more complex and you need an experienced CPA with the best resources in the industry to give its clients the optimum benefits, contact us at inquiries@mangoldcpa.com or 512-3270909.