

Here's how to write vacation off taxes

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Tempe CPA Tom Wheelwright, CEO ProVision

It's tax time, and if you played right on your vacation, you can deduct the entire trip from your federal income tax, according to CPA [Tom Wheelwright](#), CEO of ProVision, a Tempe-based accounting firm.

Wheelwright, a national speaker on tax issues, said that the tax code is filled with incentives for businesses and investors.

"You can change your taxes when you change the facts," he said. "Keeping a log of business-related activities on a vacation means the trip is a deductible business expense."

Wheelwright said if you spend four or more hours a day doing business-related activities, a domestic vacation is completely deductible.

"A real estate broker could be looking at investment properties, as an example," he said. "Within the U.S., it's all or nothing. If the 4-1/2 hour-per-day test is passed the entire trip is deductible. Outside the U.S., the business portion of the trip can be proportional."

Spend a third of the time on business, he explained, a third of the overseas trip can be deducted when taxes are prepared.

Wheelwright said the No. 1 tax tip is "(n)ever talk to the (Internal Revenue Service)." If the IRS makes contact, he said to get a professional to do the talking for you.

The second most important rule, he added, is to know that how the return is prepared has a big effect on the taxes to be paid.

"Take seminars as an example. If business requires you to take a seminar, and you report it, it's not deductible," he explained. "If the session is reported as continuing education, it is deductible."

Wheelwright emphasized that deductions are legal when the expense is used to advance or grow a business.



| *Eric covers economic development, banking and finance, infrastructure, transportation and utilities.*