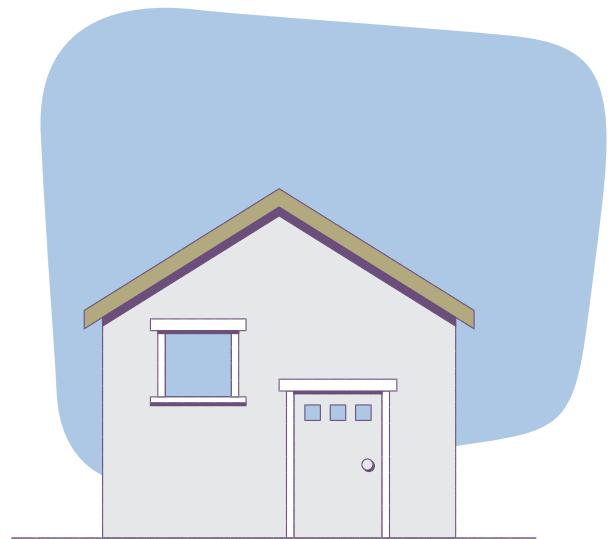


Summary of physician travel taxes

When you work as a locum tenens physician, you are considered an [independent contractor](#) rather than an employee. Because of this work status, the staffing agency does not and should not monitor taxes for your travel-related benefits such as airfare, car rental, mileage reimbursement, and lodging they pay for or reimburse. [Independent contractors can also deduct travel expenses](#) the staffing agency did not reimburse while on away-from-home assignments. To do this, you must be considered a "qualified traveler" and meet the following three requirements:

1. You must maintain a [permanent tax home](#) where you generally return after each assignment and pay housing costs.
2. You must complete a temporary assignment that is not within commuting distance of your tax home and requires overnight sleep and lodging.
3. Your assignment must be considered temporary, meaning that you must have a substantial break between assignments in the same geographic area if these assignments, including extensions, are expected to last longer than one year. This includes all assignments in the same geographic area, even assignments with more than one agency or work you find yourself. While the IRS has said that a three-week absence is not long enough, a consecutive seven-month absence is long enough to restart the year of assignments. The IRS has not provided clear guidance for absences between three weeks and seven months.



If you meet all three requirements, you can [deduct certain unreimbursed travel-related expenses](#) from your income. Independent contractors generally claim these deductions on [IRS Form 1040 Schedule C](#) (you can also itemize deductions) or on your professional corporation income tax return.

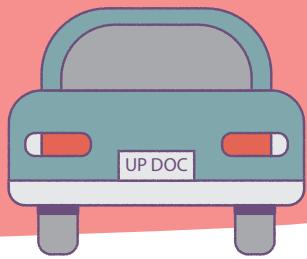
If you are not a "qualified traveler," tell your staffing agency so they can report all travel expenses as taxable income along with your cash compensation on year-end Form 1099-MISC. You cannot deduct travel expenses the locum tenens agency pays or reimburses you. However, if your actual expenses are greater than the amount the agency paid, you may be able to claim a tax deduction for the extra costs.

locumstory.com tax tips

Typical travel expenses

- Temporary lodging: You can deduct your actual housing costs if the locum tenens agency does not provide temporary lodging. However, you may not deduct the housing portion of the IRS per diem amount.
- Meals and incidentals: You may deduct only half of your meal costs, either half the actual cost of the meals or half of the Meals and Incidentals (M&I) IRS per diem amount allowed in the travel area. Use the continental United States ([CONUS rates calculator](#)) to determine the current rates, which depend on the assignment location.

[LEARN MORE: What are the tax benefits of being a locum tenens?](#)



- Mileage: If you are using your personal vehicle, you may deduct a cents-per-mile amount for your travel to the assignment, your business mileage while on assignment, and your trip home. Use the [IRS standard mileage rates](#) to calculate the amount to deduct per mile. This cents-per-mile rate is not available for rental cars.

You must keep adequate documentation for all deductions you claim.

IRS publications to consider

(Available on the IRS website)

- No. 463: Travel, Entertainment, Gift, and Car Expenses
- No. 535: Business Expenses
- No. 334: Tax Guide for Small Businesses

As always, we recommend you consult with your tax advisor. The information contained herein is general in nature and based on authorities that are subject to change.

Disclaimer: Tax information contained in this document is not intended to be used, and cannot be used, by any person as a basis for avoiding tax penalties that may be imposed by the IRS or any state. We recommend each taxpayer seek advice based on their circumstances from an independent tax advisor.

