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How to Make Your Trip Expenses Tax Deductible

Going for a trip and want to reduce your expenses without cutting down on the benefits? Make your trip tax deductible. I know what you're probably thinking. "Tax deductible trips are only for business, so how can I deduct expenses of a non-business trip from my taxes?" Make it into a business one!

The most important thing to do is to keep excellent records and document your business intentions, business purpose, and business-related activities in your trip. Sally (not her real name) is a film set designer who always wanted to visit China. So to make it worth it, she found a way to go there and write off the expenses from her income tax. She found a movie producer who wanted to make a documentary in China and suggested a joint venture. Once the deal was agreed upon, Sally went to work making the necessary contacts in China – the embassy, museums, influential people etc. With the help of the embassy, Sally arranged to visit places she could photograph along with a friend.

As a result of her trip to China, Sally had compiled a detailed journal of

rooms, homes, offices, gardens, restaurants, nightclubs, museums, etc. Sally had pictures and samples of fabrics, and contacts with suppliers. Through these detailed documents and photographs, Sally could show that the trip was primarily a business one even though she and her friend thoroughly enjoyed themselves.

In order to write off expenses from a trip on your taxes like Sally did, you should first of all plan where you would like to go and when. Then look for business-related activities in that place during the time of your visit like seminars, conferences, workshops, trade shows etc. If there aren't any, you can try organizing some business activity yourself. Think about how your business or boss might benefit from someone or something in that place you intend to visit. For instance, you could arrange to tour a factory, or university, or studio? Are there experts who live in the area you could arrange to meet? Alternatively, you could arrange for people to meet with you instead.

If you take a few key clients away to a destination of your choice for a week-long seminar and charge a fee for attendance, you may even make a profit for your business on top of having the expenses written off in your taxes.

You will increase the chances of your tax deductions being approved by the IRS if you keep detailed records of every aspect of your trips (including how much money you make out of it, if any). Print out the correspondence, research, itinerary etc. Journal all your activities during your trip, anything that shows you conducted business.