

Tax Law Requirements for Some Common Expenses

Type of expense	Elements to prove	Practical notes for description on expense report
All expenses (the general rule)	<ol style="list-style-type: none"> 1. Business purpose 2. Amount of expense 3. Your payment 	Business purpose for the expense
Out-of-town travel	<ol style="list-style-type: none"> 1. Amount of each separate expenditure 2. Dates of departure and return, and number of days spent on business 3. Destination (city name) 4. Business purpose 5. Your payment 	Where and why?
Business meals	<ol style="list-style-type: none"> 1. Amount of each separate expenditure 2. Date of the meal 3. Place (name and location) 4. Business reason 5. Names and business relationship of all persons 6. Your payment 	Who, where, and why?
Gifts	<ol style="list-style-type: none"> 1. Cost of the gift (to you) 2. Date of the gift 3. Description of the gift 4. Business purpose 5. Name and business relationship of the recipient 6. Your payment 	Who, what, and why?
Vehicles	<ol style="list-style-type: none"> 1. Amount of each separate expenditure 2. Percentages or miles for business, investment, and personal use 3. Dates of the expenditures 4. Description of business or investment uses 5. Your payment 	If using a personal vehicle that is reimbursed by the mileage method, enter miles and purpose in description. If using a corporate vehicle or being reimbursed for actual expenses, keep a mileage log of business, investment, and personal use.