

AFGE FIREFIGHTERS COUNCIL

Serving Federal Firefighters through Knowledge and Strength



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FEDERAL TAX DEDUCTIONS FOR FIREFIGHTERS —WHEN, HOW, AND WHAT —

The year is drawing to a close and soon, it will be time to think about preparing your tax return. Are any of the amounts you spent in connection with your job as a firefighter tax deductible? They might be but first, you need to know the ground rules:

- ❖ **WHEN:** Unreimbursed work-related expenses are deductible when
 - The expenses you incurred are “ordinary and necessary” which means that the item or service is usual and accepted for firefighters and is appropriate, helpful and related to your job.
 - The expenses you deduct are be paid in the current year
 - The expenses have not been reimbursed by the Government
 - You have receipts for most items

- ❖ **HOW:** In order to deduct unreimbursed work-related expenses they must, in total, exceed 2% of your adjusted gross income (income from all sources minus losses but before exemptions and other deductions are figured). This is determined by
 - Calculating your total adjusted gross income (wages, interest, dividends, capital gains, net capital losses, rental income or loss, etc.)
 - Figuring 2% of your adjusted gross income
 - Determining exactly how much you have spent for work-related expenses using the attached worksheets
 - Adding to the total of your work-related expenses your other miscellaneous deductions which include tax preparation fees, investment expenses, safe deposit box rental, etc.
 - If that total is greater than 2% of your adjusted gross income, then you can deduct the amount over the 2%
 - If the total is greater than 2%, then you must prepare IRS Form 2106, Employee Business Expenses, and
 - Carry the total allowable amount from Form 2106 to Line 21, Schedule A, Form 1040.

- ❖ **WHAT:** The following items (as shown on the worksheets may be deductible)
 - Union dues
 - Educational classes related to the F&ES profession
 - Licenses and regulatory fees
 - Legal fees related to doing or keeping your job
 - Medical examinations required by the Government but not paid for by it or your insurance
 - Subscriptions to professional F&ES journals

- Tools and supplies used in your work but not provided or paid for by the Government
- On-the-job use of your personal car (do not attempt to deduct the cost of getting to and from work) which is not reimbursed by the Government
- Meal expenses but only if the practice at your station is for every to contribute to a fund for meals and then only 50% of what you contributed
- Uniforms and PPE costs, maintenance and repair to the extent that your expenses exceed your uniform allowance
- Cell phone costs but only if you are required to have one for the convenience of your employer
- Travel and transportation but only to the extent it is required and not reimbursed by the Government
- Business Liability Insurance premiums

Form **2106**

Employee Business Expenses

OMB No. 1545-0074

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.
▶ Attach to Form 1040 or Form 1040NR.

2011

Attachment
Sequence No. **129**

Your name

Occupation in which you incurred expenses

Social security number

Part I Employee Business Expenses and Reimbursements

Step 1 Enter Your Expenses	Column A Other Than Meals and Entertainment			Column B Meals and Entertainment	
	1 Vehicle expense from line 22 or line 29. (Rural mail carriers: See instructions.)				
2 Parking fees, tolls, and transportation, including train, bus, etc., that did not involve overnight travel or commuting to and from work	1				
3 Travel expense while away from home overnight, including lodging, airplane, car rental, etc. Do not include meals and entertainment	2				
4 Business expenses not included on lines 1 through 3. Do not include meals and entertainment	3				
5 Meals and entertainment expenses (see instructions)	4				
6 Total expenses. In Column A, add lines 1 through 4 and enter the result. In Column B, enter the amount from line 5	5				
	6				

Note: If you were not reimbursed for any expenses in Step 1, skip line 7 and enter the amount from line 6 on line 8.

Step 2 Enter Reimbursements Received From Your Employer for Expenses Listed in Step 1

7 Enter reimbursements received from your employer that were not reported to you in box 1 of Form W-2. Include any reimbursements reported under code "L" in box 12 of your Form W-2 (see instructions).	7				
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Step 3 Figure Expenses To Deduct on Schedule A (Form 1040 or Form 1040NR)

8 Subtract line 7 from line 6. If zero or less, enter -0-. However, if line 7 is greater than line 6 in Column A, report the excess as income on Form 1040, line 7 (or on Form 1040NR, line 8)	8				
Note: If both columns of line 8 are zero, you cannot deduct employee business expenses. Stop here and attach Form 2106 to your return.					
9 In Column A, enter the amount from line 8. In Column B, multiply line 8 by 50% (.50). (Employees subject to Department of Transportation (DOT) hours of service limits: Multiply meal expenses incurred while away from home on business by 80% (.80) instead of 50%. For details, see instructions.)	9				

10 Add the amounts on line 9 of both columns and enter the total here. **Also, enter the total on Schedule A (Form 1040), line 21** (or on **Schedule A (Form 1040NR), line 7**). (Armed Forces reservists, qualified performing artists, fee-basis state or local government officials, and individuals)

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For Paperwork Reduction Act Notice, see your tax return instructions.

Cat. No. 11700N

Form **2106**

(2011)

Part II Vehicle Expenses

Section A—General Information (You must complete this section if you are claiming vehicle expenses.)

		(a) Vehicle 1	(b) Vehicle 2
11	Enter the date the vehicle was placed in service	11 / /	/ /
12	Total miles the vehicle was driven during 2011	12 miles	
13	Business miles included on line 12	13 miles	
14	Percent of business use. Divide line 13 by line 12	14 %	
15	Average daily roundtrip commuting distance	15 miles	
16	Commuting miles included on line 12	16 miles	
17	Other miles. Add lines 13 and 16 and subtract the total from line 12	17 miles	
18	Was your vehicle available for personal use during off-duty hours?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
19	Do you (or your spouse) have another vehicle available for personal use?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
20	Do you have evidence to support your deduction?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
21	If "Yes," is the evidence written?	<input type="checkbox"/> Yes <input type="checkbox"/> No	

Section B—Standard Mileage Rate (See the instructions for Part II to find out whether to complete this section or Section C.)

22 Multiply line 13 by 51¢ (.51) for miles driven **before** July 1, 2011, and by 55.5¢ (.555) for miles driven **after** June 30, 2011. Add the amounts, then enter the result here and on line 1.

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Section C—Actual Expenses

		(a) Vehicle 1	(b) Vehicle 2
23	Gasoline, oil, repairs, vehicle insurance, etc.	23	
24a	Vehicle rentals	24a	
b	Inclusion amount (see instructions)	24b	
c	Subtract line 24b from line 24a	24c	
25	Value of employer-provided vehicle (applies only if 100% of annual lease value was included on Form W-2—see instructions)	25	
26	Add lines 23, 24c, and 25.	26	
27	Multiply line 26 by the percentage on line 14	27	
28	Depreciation (see instructions)	28	
29	Add lines 27 and 28. Enter total here and on line 1	29	

Section D—Depreciation of Vehicles (Use this section only if you owned the vehicle and are completing Section C for the vehicle.)

		(a) Vehicle 1	(b) Vehicle 2
30	Enter cost or other basis (see instructions)	30	
31	Enter section 179 deduction and special allowance (see instructions)	31	
32	Multiply line 30 by line 14 (see instructions if you claimed the section 179 deduction or special allowance).	32	
33	Enter depreciation method and percentage (see instructions)	33	
34	Multiply line 32 by the percentage on line 33 (see instructions)	34	
35	Add lines 31 and 34	35	
36	Enter the applicable limit explained in the line 36 instructions	36	
37	Multiply line 36 by the percentage on line 14	37	
38	Enter the smaller of line 35 or line 37. If you skipped lines 36 and 37, enter the amount from line 35. Also enter this amount on line 28 above	38	