# Employee business expenses: Getting your investment on your return

Earning money inevitably cost you money. Professional journals, union dues, business meals, and continuing education are expenses typically incurred in the line of duty. However, you may be able to offset your outof-pocket costs by deducting a portion of those expenses on your federal income tax return, points out the Nevada Society of CPAs.

Most unreimbursed employee business expenses can be itemized as "miscellaneous deductions." Included are expenses for items such as job-related education, travel, meals, and job hunting. However, they can be deducted only to the extent they total, when combined with your other miscellaneous deductions, more than 2 percent of your Adjusted Gross Income (AGI). Unreimbursed employee business expenses are subject also to an overall limit on itemized deductions for taxpayers with AGIs in excess of \$114,700 (\$57,350 for married taxpayers filing separately).

> Get smart and deduct educational expenses

As an employee, you may be entitled to a deduction for reimbursed monies spent on jobrelated education. Among the expenses you can write off are the cost of tuition, books, supplies, lab fees, certain costs for travel to and from your studies, and even the wages of a tutor or typist you used in connection with your educational

However, your curriculum must meet one of two IRSimposed requirements: (1) your education must be required by your employer or by law to keep your current job; or (2) your courses must help you maintain or improve your present work skills. You're not allowed a tax deduction for courses that qualify you for a different kind of work, nor can you deduct the cost of courses needed to meet the minimum qualifications of your present job.

Following the road to an automobile deduction

If you use your own car for business and aren't reimbursed by your employer, there are two ways to claim a deduction. You may deduct your actual cost for gas, oil, insurance, repairs, and maintenance, in addition to depreciation, or you can use the standard Internal Revenue Service (IRS) mileage rate, which is 30 cents per mile for 1995. In both instances, you also can deduct the cost of reimbursed, business-related parking fees and tolls. Most people come out ahead by keeping track of their expenses, but this method requires a little more detailed recordkeeping.

Keep in mind that you can deduct 100 percent of your actual automobile expenses only if you use your vehicle exclusively for business. If you use your carfor both business and personal purposes, you must allocate your expenses between the two.

Eating out serves up a deduction

You also may deduct 50 percent of the cost of meals and entertainment expenses that are directly related to or associated with the active conduct of your business. And, the business-

you're dining with a client or eating alone. Just be sure to keep thorough records of your expenses.

> Travel near and far for a write-off

When you travel strictly for business, you may deduct your unreimbursed travel expenses. Deductible expenses include the costs of transportation and lodging, 50 percent of meals, and incidental expenses, such

meal deduction applies whether as the cost of dry cleaning and laundry, that you incur while away from home.

> Search for a job and find a deduction

If you looked for work during 1995, you may be able to claim deductions for related expenses, as long as you were seeking a position in your current line of work. Deductible expenses include costs for resume preparation, printing and mailing, career consultants, travel to interviews, telephone calls, and publications purchased to review employment ads.

Don't forget the little things

According to the Nevada Society of CPAs, there are many business expenses that are often overlooked. For example, other deductible employee expenses may include subsciptions to business periodicals, annual dues on credit cards used for business, business gifts (up to \$25 per recipient), phone charges for business calls made from or billed to your home phone, and office supplies and furnishings that you purchased yourself.

Money Management is a weekly column on personal finance prepared and distributed by certified public accountants. Nevada Society of Certified Public Accountants, 5250 Neil Road, Suite 205, Reno, Nevada

## Finding the financial advisor who's right for you

(NAPS) - Could you perform your own surgery? Would you feel, comfortable defending yourself in a lawsuit? Does your experience behind the wheel qualify you to rebuild your car's transmission? Probably not.

Once considered a luxury, professional service and advice is now regarded by most people as a necessity when dealing with the complexities of today's world. Many of us turn to professionals who are better educated, more highly skilled or more experienced than ourselves for help. Then it's not surprising to find that when Americans were asked to evaluate their relationships with the financial

advisors who help them navigate today's complex financial markets, they responded with overwhelming satisfaction.

According to a recent survey conducted by Oppenheimer Funds, Inc., 93 percent of those who use a financial advisor including secretaries brokers, financial planners, bank representatives and insurance agents — say they are satisfied with the financial advice they received. In addition to appreciating the quality of the advice, 94 percent of those surveyed said they were satisfied with the personal service and attention they received; 63 percent of them had gone as far

as referring a friend or relative to ought to be encouraging news their advisor.

"These findings stand on end the notion that most investors are unhappy with their financial advisors," said Bridget A. Macaskill, president and CEO of OppenheimerFunds. "Investors express overwhelming satisfaction with their advisors. That

to anyone in need of financial advice."

Although this survey adds credence to the notion that those who rely on professional financial advice are overwhelmingly satisfied, many Americans still haven't gotten the message.

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### Financial

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assistance, whether it comes from a commercial financial institution or through the offering of additional securities, such as preferred or common shares.

You could also allow your employees to buy your stake in the company through an Employee Stock Ownership Plan (ESOP). With an ESOP, you sell the shares of your business to your employees through a trust and receive the fair market price plus significant tax advantages.

No matter what happens, you don't want your hard work to go for naught. And you can prevent that from occurring if you plan ahead. Discuss these ideas with your attorney, CPA and professional investment broker to determine how you can help your company stand the test of time.

Fred T. Snyder, Investment Broker, A.G. Edwards & Sons, Inc.

### Real Estate

(Continued from Page 4)

As always, contact a Licensed Professional Real Estate Agent for all your real estate needs or contact me c/o Real Estate Perspective, Las Vegas Sentinel-Voice 900 East Newspaper, Charleston Boulevard, Las Vegas, Nevada 89104 or call (702) 457-4623, Fax (702) 4570114.

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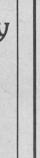
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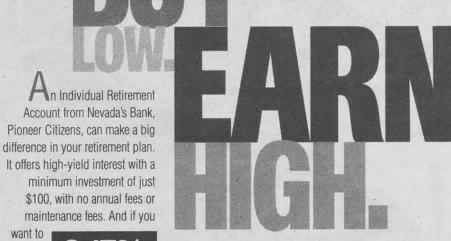
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