

Carol's Tax Service

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Letter to all fishermen who own and rent fishing boats

After some Oregon Audits and studying the Federal Audit Guide for Fishermen here are some new (evidently starting with the 2013 tax year) ways expenses are regarded and handled on fisherman's tax returns:

Regarding Deckhands:

Deckhands only deductible expenses are for items specific to their trade, if they pay for them; i.e. license, protective gear.

Boat owners, renters, and permit holders:

CAN Deduct (but MUST have minutes or other records):

Vehicle kept solely in AK: Miles driven or actual expense for purchase of fishing supplies, repairs, etc.

Vehicle driven to AK and back:

If you store and purchase equipment in Oregon and transport it to AK and back to Oregon for storage:

Keep a record (minutes) showing mileage: 1) Odometer mileage at beginning of year, 2) Date & mileage upon leaving for AK, 3) Date & mile of return from AK, and 4) Mileage at end of year.
(copies of oil change receipts are good substantiation.)

Lodging while traveling to & from AK, plus ferries and tunnels.

While in AK: Keep a record of miles driven for fishing supplies, repairs, or other work expenses (NOT for groceries and personal items.)

While in Oregon: Keep a record of miles driven for fishing business, i.e. buying equipment, attending clinics and commercial boat shows, etc.

Meals for boat owner and deckhand while out of port fishing:

What area do you fish? Different areas take different record keeping.
Keep minutes of day/time leaving and return to port and area or areas fished that trip.
For some areas a printout of tides might be helpful. Question?

Receipts for equipment, supplies purchased in Alaska

Document of equipment, supplies purchased in Oregon and transported to and used in AK.

Now is the time to prepare such records for the 2016 fishing season.

If Income is earned both in Oregon and in Alaska

Currently this is untested (no recent audit) waters.

Don't know:

If each is considered a separate "Tax Home."
Or if the one that earns the most money is the "Tax Home."
Or if where the most time is spent is the "Tax Home."

Definition of "Tax Home:"

The general locality of an individual's primary place of work. A person's tax home is the city or general vicinity where their primary place of business or work is located, regardless of the location of the individual's residence, and has an effect on his/her tax deductions for meals, auto expenses and business travel.