




## Lesson Plan

### Military Employee Business Expenses

Time Required: 30 minutes

Introduction	Objectives	Topics
This lesson teaches students how to determine and claim qualified employee business expenses for members of the Armed Forces, such as the cost of uniforms, education, and travel.	<p>Determine if the taxpayer has military business expenses that can be deducted.</p> <p>Identify which form to use to report military business expenses.</p>	 <p>Military Employee Business Expenses</p> <p>Qualified Uniform Expenses</p> <p>Professional Dues</p> <p>Educational Expenses</p> <p>Deductible Travel Expenses</p> <p>Form 2106</p>

### Key Terms

**Adjusted Gross Income (AGI):** The taxpayer's total adjusted gross income (AGI) is the amount that is used to compute some limitations, such as the medical and dental deduction on Schedule A and the credit for child and dependent care expenses.

**(BAH)** Basic Allowance for Housing

**(BAS)** - Basic Allowance for Subsistence

**Itemized Deductions:** Itemized deductions allow taxpayers to reduce their taxable income based on specific personal expenses. If the total itemized deductions are greater than the standard deduction, it will result in a lower taxable income and lower tax.

**PCS:** Permanent change of station for a military service member.

**Standard Deduction:** An amount, provided by law and based on filing status, age, blindness, and dependency, that taxpayers can deduct from their adjusted gross income before tax is determined.

**TAD:** Temporary additional duty for military service members. (See TDY.)

**TDY:** Temporary duty for military service members. (See TAD.)

## Teacher Tips

### Guidelines for Lesson

Guideline	Instructor Notes	Presentation Aids
Lesson background info	<b>Review</b> the online demo of TaxSlayer on Taxable Income and Tax.	<b>TaxSlayer® Demo:</b> From the Practice Lab, select: <ul style="list-style-type: none"> <li>• TaxSlayer IRS training</li> <li>• Click the appropriate demo</li> </ul>
Provide details and engage the students	<p><b>Discuss</b> all tips and cautions in detail.</p> <p><b>Ask</b> students to read and/or role-play examples and sample interviews.</p> <p><b>Review</b> answers to each exercise; ask students how they arrived at their answers.</p>	<p><b>Internet:</b> Link &amp; Learn Taxes (L&amp;LT) Military Employee Business Expense</p>

### Topic-specific Tips

Topic Name	Instructor Notes	Presentation Aids
Introduction	<p><b>Review</b> lesson objectives.</p> <p><b>Review</b> list of references.</p> <p><b>State</b> the presentation time.</p>	<p><b>Visuals:</b>  <a href="#">Form 1040</a>, Page 2 Credits and Tax section  <a href="#">Schedule A</a>, line 21  <a href="#">Form 2106</a>  <a href="#">Form 2106-EZ</a>                      Pub 4012, Deductions tab</p>
Military Employee Business Expenses	<p><b>Use</b> the Student Landing Page questions to prompt students to share what they know about deducting military employee business expenses.</p> <p><b>Point out</b> that Form 13614-C does not list military employee business expenses, so volunteers need to ask questions that identify unreimbursed military work-related expenses.</p> <p><b>Point out</b> that miscellaneous itemized deductions are subject to a 2% limit.</p>	<p><b>Visuals:</b>                      Student Landing Page questions  <a href="#">Form 1040</a>, Page 1, Adjusted Gross Income section and Page 2, Taxes and Credits section  <a href="#">Pub 3</a>, Employee Business Expenses chapter</p> <p><b>Internet:</b>                      YouTube video: <a href="#">Military Tax Tips</a></p> <p><b>Tax Topics:</b> <a href="#">Employee Business Expenses</a></p>

**Point out** that Schedule A is used to claim unreimbursed expenses

Tax Topics: [Business Travel Expenses](#)

Tax Topics: [Recordkeeping](#)

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Qualified Uniform Expenses and Professional Dues

**Review** L&LT Qualified Uniform Expenses topic.

**Visuals:**

[Schedule A](#), line 21

**Point out** that the same rules for claiming a uniform expense apply to active duty personnel and reservists.

**Review** the examples and exercises for this topic.

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Educational Expenses

**Review** L&LT Educational Expenses topic.

**Visuals:**

[Schedule A](#), line 21

**Ask:** What are the two tests for claiming educational expenses as an employee business expense? **Answer: (1)** Is required by their employer or by law or regulations to keep their current salary, status, or job if these requirements serve a business purpose of the employer; or **(2)** maintains or improves the skills required in their present work

[Pub 970, Tax Benefits for Education](#)

**Review** the Col. Wilson example. **Ask:** What if Col. Wilson took an advanced aviation course? **Answer:** He could deduct the expenses because he met the minimum job qualifications and the course improved his skills in his current position.

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Deductible Travel Expenses	<p><b>Review</b> L&amp;LT Deductible Travel Expenses topic.</p> <p><b>Prompt</b> students to give examples of work-related travel expenses for a member of the Armed Forces.</p> <p><b>Refer</b> students to Pub 3 for details on “away from home” travel expenses.</p> <p><b>Ask:</b> For Navy personnel assigned to a ship, is this considered to be a home for travel expense purposes?  <b>Answer:</b> Yes.</p> <p><b>Ask:</b> What is the 100-mile rule for reservists? See topic for answer.</p> <p><b>Review</b> the standard mileage rates for the current year.</p>	<p><b>Visuals:</b>  <a href="#">Schedule A</a>, line 21</p> <p>Pub 4012, Deductions tab:  <ul style="list-style-type: none"> <li>• <a href="#">Schedule A, Itemized Deductions</a></li> </ul> </p> <p><a href="#">Pub 3</a>, Itemized Deductions chapter, list of “away from home” travel expenses</p> <p><a href="#">Pub 463</a></p> <p><b>Internet:</b>  Tax Topics: <a href="#">Business Travel Expenses</a></p> <p><b>TaxSlayer Demo:</b>  <a href="#">Entering Adjusted Gross Income, Expenses for Reservists</a></p>
Form 2106	<p><b>Review</b> L&amp;LT Form 2106 topic.</p> <p><b>Point out</b> when Form 2106 and 2106-EZ are used.</p> <p><b>Review</b> sample interview and sample Form 2106 with class.</p> <p><b>Demonstrate</b> claiming employee business expenses using TaxSlayer.</p>	<p><b>Visuals:</b>  <a href="#">Form 2106</a>  <a href="#">Form 2106-EZ</a>  <a href="#">Form 2106 Instructions</a></p> <p>Pub 4012, Deductions tab:  <ul style="list-style-type: none"> <li>• <a href="#">Schedule A, Itemized Deductions</a></li> </ul> </p> <p><b>TaxSlayer® Demo:</b>  <ul style="list-style-type: none"> <li>• From the Adjustments page, click Begin on the Expenses for Reservists, Performing Artists, and Qualifying Government Employees line to deduct travel related expenses as a military reservist.</li> </ul> </p>
Skills Workout	<p><b>Review</b> the lesson exercises with the class.</p>	<p><b>Visuals:</b>  L&amp;LT Military Employee Business Expenses: Click Certification Warm Up icon to review the exercises</p>
Practice	<p><b>Select</b> the practice exercise on deducting military employee business expenses.</p> <p><b>Verify</b> students have correctly</p>	<p><a href="#">Publication 4491-W Military Comprehensive Problem and Practice Exercises</a></p>

completed Form 2106, Schedule A, and Form 1040.

### References

Form 1040	<a href="#">Form 1040</a> , Adjusted Gross Income and Tax and Credits section
Form 2106-EZ	<a href="#">Form 2106-EZ, Unreimbursed Employee Business Expenses</a>
Form 2106	<a href="#">Form 2106, Employee Business Expenses</a>
Schedule A (Form 1040)	<a href="#">Schedule A, Itemized Deductions</a>
Pub 4012	Pub 4012, Volunteer Resource Guide, Deductions tab <a href="#">Schedule A, Itemized Deductions</a>
Pub 3	<a href="#">Pub 3, Armed Forces' Tax Guide</a> , Itemized Deductions chapter
Pub 4491-W	<a href="#">Pub 4491-W</a> – Military comprehensive problem, practice exercise(s) or supplements for Tax and Credits section

### Optional

Form 2106 Instruction	<a href="#">Form 2106 Instructions</a>
Pub 463	<a href="#">Pub 463, Travel, Entertainment, Gift, and Car Expenses</a>
Pub 970	<a href="#">Pub 970, Tax Benefits for Education</a>

## Recommended Classroom Activities



**Skills  
Workout**



**Certification  
Warm Up**



**Media: Videos  
& Audio**



**TaxSlayer  
Tutorial**



**Job Aids**



**Practice  
Lab**



**Skills Workout: Link & Learn Taxes Military Employee Business Expenses**

Click Skills Workout for a new way to access Link & Learn Taxes Military Employee Business Expenses.



### Certification Warm Up – Summary and Exercises

Click Certification Warm Up for a new way to access the exercises in Link & Learn Taxes Military Employee Business Expenses.



### Media: Video & Audio for Lesson

YouTube video on Military Tax Tips

<https://www.youtube.com/watch?v=L7zwBKuU0YQ>



### TaxSlayer Tips and Resources for Lesson

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TaxSlayer Training Video [Entering Adjusted Gross Income](#)

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Practice Lab Tutorial

From the [Practice Lab](#):

1. Enter the universal password (if you do not have the password, you can request it from your site coordinator or SPEC relationship manager).
  2. Sign in to Practice Lab or create an account.
  3. Select the appropriate tutorial.
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### Job Aids

#### ITA and FAQs for Lesson

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Tax Topics

Employee Business Expenses

<http://www.irs.gov/taxtopics/tc514.html>

Business Travel Expenses

<http://www.irs.gov/taxtopics/tc511.html>

Recordkeeping

<http://www.irs.gov/taxtopics/tc305.html>

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### Practice Lab

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Practice Lab

<https://vita.taxslayerpro.com/IRSTraining/>

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