



Flight Crew Expense Report and Per Diem Information

As with all our forms, you may submit this information electronically using our secure online submit forms. Using this PDF as a work paper and submitting the information electronically is a convenient way of sending your information. Our PDFs are not fillable.

And all online submit forms are converted to a text file and saved in your client portal for historical purposes. You can access our online submit forms here-

www.blueskiestaxservice.com/taxes

There are two work-related types of deductions for pilots and flight attendants. First is out of pocket expenses such as uniforms, cell phone, union dues, etc. The second is the per diem allowance and deduction. We need both to prepare your tax returns.

Please use this form to detail your flight attendant and pilot tax deductions. There are rules, of course, and you should familiarize yourself with them if you are not sure. However, the expenses listed below are generally allowed for most crewmembers. For example, we won't ask you about shoes or hair and nail expenses - these expenses are NOT deductible per a recent Tax Court case. We would be happy to direct you towards reading material about these cases.

Per Diem Deduction, Flight Schedule

The government allows a deduction for each day that you are away from base. The IRS states that you can either itemize each layover city or you may take a standard rate per day (must pick one method for the year). It is to your advantage to **provide your 2017 flight schedules** so your per diem allowance can be calculated based on your specific flying. We will use the method that maximizes your deduction.

We also understand that obtaining and sending your schedule can be challenging. Therefore we have created an Overnights Worksheet so you can summarize your schedule. Please download it at-

www.blueskiestaxservice.com/Overnights.pdf

As with any situation, if you are unsure about any expense, just give us a call or send us a note and we will be happy to advise!

Flight Crew Expenses Worksheet

**If you are married to another crewmember, please complete a form for each individual.*

Name: _____

Date _____

Uniform Purchases

The Tax Court has repeatedly stated that any required clothing item that is either protective in nature such as a flight suit or steel-toed boots, OR cannot be converted to everyday use may be deducted as a job-related expense. Shoes, nylons, ties, belts, hair product, etc. can be converted to everyday use and therefore CANNOT be deducted. We are happy to provide direction on court cases that ruled against such deductions.

Shirts, Blouses _____

Company Coat, Jacket _____

Sweater, Turtleneck _____

Epaulets, Wings _____

Pants _____

Shipping _____

Skirt, Dress, Apron _____

Other _____

Uniform Accessories, Repairs

When a uniform is required to be worn, maintenance to that uniform is a deductible expense. Home laundering is a small expense and includes laundry soap, water and electricity. We usually suggest a flat rate of \$50 per year. If you launder your uniform at home, please enter your expenses up to \$50.

Lanyard, Badge Holder _____

Dry Cleaning _____

Shoe Shine, Repair _____

Home Laundering _____

Alterations _____

Other _____

Flight Deck, Cabin Expenses

As more airlines move towards electronic flight bags either through proprietary equipment or through iPads, these expenses become deductible beyond the portion reimbursed by the company. Every airline is handling this differently. Some are providing the equipment while others are providing a stipend. Please detail the out of pocket expense plus any company reimbursements below.

Batteries	_____	Headsets, Earpiece	_____
Jepp Binders, Charts	_____	Laptop, iPad, Tablet, EFB	_____
SOP, GOM, IOM	_____	Company Reimbursement	_____
Logbooks, Software	_____	Other	_____
Flashlights	_____		

Cell Phone, Internet

Mixed use items such as a cell phone that are used both personally and for your job are deductible to the extent of business or job use. For an expense to be deductible, it must be both ordinary as an accepted expense within your industry, AND necessary for you to perform your job. Cell phones and internet connections are continuously used in the airline industry to check schedules, contact dispatch or maintenance, complete required training events, check weather and NOTAMS, etc.

Blue Skies Tax Service uses a duty day percentage based on your flight schedule to determine the job use portion of these expenses. Therefore, please enter the **TOTAL ANNUAL** amounts for Service Charges and Internet Connection. We will not deduct the total amount, but will determine an appropriate deduction by applying a formula based on your duty day percentage. We also discount it a bit for multiple phones, but give you the bulk of the expense based on the cost of just a single phone.

Accessories	_____	Number of Phones on Plan	_____
Equipment Purchase	_____	Internet, Data Plan	_____
Service Charges	_____	Other	_____

Supplies, Home Expenses

Bid Software (i.e., FLICA)	_____	Office, Computer Supplies	_____
Fax, Printer, Supplies	_____	Other	_____

Overnight, Travel Expense

Flight Bags, Lunch Coolers _____	Currency Exchange _____
Luggage Purchase, Repair _____	Uniform Laundering _____
Luggage Tags, Accessories _____	Other _____
Clothes Iron, Starch _____	

Non-Commuting Expenses (TDY)

Parking fees, tolls and crashpad expenses cannot be deducted in connection with commuting. For example, if you drive to TVC, pay a parking fee, commute to ORD and pay for a hotel for your early trip, these expenses are not deductible since they are considered commuting (your domicile becomes your tax home, and travel expenses to and from your tax home are not deductible). This is unfortunate - we get it. But this is what the courts have ruled.

Having said that, if you are temporarily assigned to a domicile (less than one year) and / or you pick up out-of-domicile trips, these expenses are deductible. Only list those expenses that qualify using this information.

Airport Parking Fees _____	Lodging, Crashpad _____
Tolls _____	Other _____

Employment Credentials

Business Cards _____	ID Replacement _____
FAA Medical, Flight Physical _____	Other _____
Passport, Foreign Visa _____	

Education, Currency Expenses

The expenses listed below are used to improve your current work skills, and are therefore deductible. For example, B737 type ratings - if you mention that a particular airline in Texas requires a B737 type rating for an interview, your deduction will be denied. If you state that you earned a B737 type rating to help yourself be more marketable, you will also lose the argument and subsequent deduction. Additional training as a part of a job search is not deductible.

A B737 type rating, or any rating, or any related education such as a foreign language, must be a part of your ongoing improvement or maintenance of your current crewmember skills. Nothing more.

Aircraft Rentals	_____	Foreign Language	_____
CFI Renewals	_____	Type Rating	_____
Publications	_____	Other Rating	_____
Seminars, Classes	_____	Other _____	_____

Federal Flight Deck Officer

Ammunition, Target	_____	Lodging	_____
Equipment	_____	Transportation	_____
Permit, Range Fees	_____	Other _____	_____

If we run into (Alternative Minimum Tax) AMT problems with your overall flight crew expenses, we can always consider your FFDO activities and expenses to be charitable donations since you are technically associated with Homeland Security, a government entity.

Job Hunting

The IRS allows you to deduct expenses related to job hunting in your current profession or occupation. So, pilot to pilot. Flight attendant to flight attendant. And, remember, anything that can be converted to everyday use is not a deductible expense, such as an interview suit. While you probably looked dashing, good looks aren't a tax deduction. Sorry.

Application Fees	_____	Simulator, Interview Prep	_____
Mailing, Copying	_____	Lodging	_____
Telephone, Fax Expenses	_____	Transportation	_____
Publications, Job Forums	_____	Other _____	_____
Resume Service	_____		

Professional Expenses

Non-rev dues are those monies paid to other airlines for your ability to travel as a non-revenue passenger. These expenses might be considered commuting expense and therefore non-deductible. However, your ability to travel to other domiciles for trips and to travel directly from your residence to training facilities might rely on your ability to travel as a non-revenue passenger. Therefore, we consider these expenses ordinary and necessary for you to perform your job. Please only list the cost for you, **and not** all your eligible pass riders.

Union Dues	_____	Loss of License Insurance*	_____
Union Initiation Fee	_____	Non-Rev Dues	_____
Drug Testing	_____	Other	_____
Organizational Dues	_____		

Be careful! Loss of License insurance and similar insurance policies will provide tax-free benefits since you are paying the premiums with after-tax dollars. However, if you deduct these premiums then your benefits might be taxable. Check with your insurance provider or union to ensure you are not changing the color of money accidentally.

Other Flight Crew Expenses

Are there any other expenses associated with your flight crew position that you did not detail above? If so, please describe below:

Per Diem Reimbursements

There are two types of per diem reimbursements- taxable and non-taxable. Taxable per diem reimbursements are paid by airlines for day-trips, turns, or locals depending on your geographical vernacular, and are TAXED as income. The other per diem reimbursement is not taxable since it truly is a reimbursement.

Your non-taxable per diem is usually reported on your W-2 in Box 12 Code L. SkyWest Airlines reports this as Box 14, labeled NTPERDIEM. Frontier Airlines puts the non-taxable per diem on the paystub ONLY. Please review your W2 and/or paystub to find your non-taxable per diem. We need this reported to us.

What was the NON-TAX per diem paid by your employer last year? _____

The rule is simple - any time away from your tax home (domicile) that requires SUBSTANTIAL rest is allowed for a non-taxable per diem reimbursement and subsequent tax deduction.

Other Company Reimbursements

Did your employer reimburse you for any uniform expenses? If so, how much?

Did your employer provide a non-taxable moving incentive? If so, how much?

Domicile

To properly calculate your per diem allowance and subsequent deduction, we need to know your domicile throughout the year including transfers and TDY assignments.

Domicile Jan 1 _____

Domicile Dec 31 _____

Did you transfer domiciles, accept TDY assignments or get displaced during 2016? If so, please describe below by telling us the dates and locations for each transfer or TDY-

Domicile transfers might incur moving expenses even if they are voluntary. As long as your move (domicile transfer) is work-related, those expenses are deductible. Please report those expenses including mileage on our Moving Expenses online submit form-

www.blueskiestaxservice.com/moving-expenses

Disclosure

I(We) verify that the information provided in this **Flight Crew Expense Report** is accurate and complete. I(We) understand it is my(our) responsibility to include any and all information concerning income, deductions and other information necessary for the preparation of my (our) personal income tax return.

Taxpayer Signature _____

Date _____

Printed Name _____

Spouse Signature _____

Date _____

Printed Name _____

Please call or email us anytime with your questions and concerns. Thank you in advance, and we look forward to working with you!

Blue Skies Tax Service