



TRAVEL NURSE TAX DEDUCTIONS

WHAT YOU NEED TO KNOW NOW



Travel Nurse Tax Deductions: What You Need to Know Now

Posted on masmedicalstaffing.com

There are so many **benefits of being a traveling nurse**. From getting diverse work experience and expanding your network, to earning more money and seeing the country...what's not to like? And come April 15th, there's an added upside with the advantages of various travel nurse tax deductions.

Each year when tax time rolls around, many travel nurses start to get nervous—probably more so than nurses working in one location.

First, let's review the reasons why filing taxes can typically be a bit more complicated for travel nurses:

- **If you work in more than one state, you have to file state taxes in each location.** The exception is if one of the states has a reciprocal agreement with

the state where you live. Of course, you also have to file your federal returns.

- **If you don't maintain a permanent residence in one state, the IRS classifies you as transient.** This means you will not qualify for travel nurse tax deductions. To make the most of tax advantages of being a traveling nurse, make sure you have one permanent residence you return to in between assignments.
- **If you've worked in one state for more than 12 months, then that state is your home.** According to the IRS, this is even the case if you maintain a permanent residence in another state.
- **The number you see on your pay slip might be a blended rate.** According to Crystal Gustafson in *Understanding Your Travel Nurse Pay Package and Taxes* on Travelnursing.org, a blended rate includes your taxable base rate, as well as non-taxable reimbursements and stipends.

What Travel Nurse Tax Deductions Should I Be Aware Of?

In order to minimize the amount of tax you have to pay, take advantage of the tax breaks you may qualify for as a traveling nurse. These can include:

Tax break #1 – The costs of maintaining your tax home

Your tax home is your fixed abode. It's the home you pay a mortgage or rent for, as well as upkeep and utilities costs.

As explained by NurseJungle.com, you need to establish a tax home in order to claim travel expenses. You can provide proof of your tax home by:

- keeping copies of mortgage or rent documents

- maintaining your driver's license in your home state
- maintaining your car registration in your home state
- registering as a voter in your home state
- filing your taxes in your state

Tax break #2 – Travel expenses from your tax home to your place of work

- airline tickets
- train, bus, and boat fare
- taxi fares to and from the airport, terminal, or station
- car rental fees
- any car-related travel such as gas, car maintenance costs, tolls, and parking
- all costs associated with accommodation and meals
- all tips associated with these costs

Tax break #3 – Professional expenses

- malpractice insurance
- the costs of your uniforms, including dry cleaning and laundry costs
- any phone, Internet, and computer related expenses—including warranties, as well as apps and other software related to your job
- the costs of professional licensing
- the costs of continued education, including books
- the costs of any trade literature
- any costs related to your job search

Keep Receipts for Everything!

In order to qualify for all of these travel nurse tax deductions, you need to provide proof that you paid for them.

That means keeping *all receipts*—even when it’s just for a cup of coffee while you’re waiting at the airport.

Keep track of all your expenses and note them down each month.

However, if you don’t have time for this (and so many of us don’t), keep a separate receipts folder in an easy-to-access place. Every time you come home, add any receipts to it.

Do the same for digital receipts: keep a separate file for them on your computer. Then all you have to do come tax time is sort, and add them all up.

You can also try downloading a free mobile app to log expenses right from your phone. Check out [Concur Mobile](#), or [Expensify](#).

Ask Your Staffing Agency About Taxable Income

One of the best ways to make sure you’re not paying too much income tax is to double check with your agency. Find out how much of your salary is taxable, and how much is exempt.

The staffing firm’s finance department will be able to provide you with a clear breakdown that you can use for tax filing.

Our Takeaway Tip

If you’re intimidated about filing your taxes (and making the most of the travel nurse tax deductions), go to a professional tax preparer.

At nationwide franchises, there are advisors with the expertise and software to make even the most complicated tax filing relatively painless.

What's more, they also provide very affordable, optional warranties. That means if the IRS has any questions or decides to audit you, the tax preparer will assist you.


And that's a far better option than trying to do it all by yourself!

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A tablet computer is shown at an angle, displaying the cover of a guide. The cover features a green circle with the number '5' at the top, followed by the text 'TOP PLACES FOR TRAVEL NURSING JOBS IN 2016'. Below the text is a photograph of a city skyline at night with lights reflecting on water.