

How do taxes work for travelers?

I'm interested in travel. How are taxes prepared if you work in many different states throughout the year?

This is a good question. Federal taxes work about the same regardless of where you work. However, since you are traveling away from “home” (established by a permanent residence), you are capable of claiming many more deductions that you may have before. If done right, this can be a lucrative advantage to traveling.

As far as state tax goes, you will owe state tax in every state you work in. This may sound like too much. However, you are often credited. For example, if you worked in your hometown for part of the year and owe 200 dollars to the state and then you worked in Pennsylvania and paid them 100 dollars in state tax, you will often be credited 100 dollars toward your hometown state tax. Then you only owe 100 to your hometown instead of 200. This is a simplified version of how it works. It gives you an idea of how it works though. You should get credited instead of having to pay the full state tax to every state.

How all the details are filed and sorted out are not my expertise. This is why accountants are worth their weight in gold. In the end, you should come out making more money as a traveling nurse than a permanent nurse. Furthermore, you can have more vacations. If you take an assignment every 3 months, you have to take time to get to the next assignment (a built in vacation on the road). Everyone should have a vacation every 3 months anyway. Don't you think? We should all have hour long lunch breaks too. Right? At least that's my opinion. I haven't figured out how to get that one yet.