

## Tax laws

### Question

My understanding is that from a federal law, you can't be on a job more than a year before it becomes a permanent job and then the tax rules change. How long do you have to be between jobs to still qualify? Example you work at a travel job for 9 months, then go home for 45 days and then come back. Does that give you a qualified break? Do you have to work during that break at home?

### Response

This is a very good question that many travelers face each year. Unfortunately, there are not any hard and fast rules about exactly how to manage your time. Nobody likes to get audited, but if you do, it can be hard to prove and convince all aspects of your finances unless you have good representation and supreme documentation. The best way survive an audit is to avoid looking suspicious. This can be a balancing act for a traveler that already looks like a run away criminal on paper. When I used to say, I spent 3 months here and there, people would jokingly say, "What are you...running from the law?"

In order to get some tax tips, I went to a travel tax specialist, Joseph Smith, with your questions. He has a company call Travel Tax ([www.traveltax.com](http://www.traveltax.com)) based out of Norfolk, Nebraska, and has been do taxes for traveling nurses for 15 years now.

According to Joseph Smith, repetitive visits to the same locale reinforces your relationship with an area. With the scenario that you present, going away for 45 days and coming back does not reset the clock - it only continues the association from the original assignment. "There are other ways to approach this", he says. You can stay away a year and come back or limit your assignments to less than 6 months per 12 month period so the majority of time is spent elsewhere.

Whatever the case, you are not required to work at your home, though for long term travelers, it may be beneficial if your tax home needs some reinforcement. In other words, you don't have to work when you go home, but it doesn't hurt you to do so.

State laws are primarily designed for people that have intentions to reside permanently. A contract specifying the length of your service in a particular area gives you a right to non-residency status in a state. However, even if you have temporary contracts, remaining in one state for a long time is not a good idea. Say you worked 3 years of temporary assignments in CA, but claimed a tax home in TN. There is enough evidence to question your intentions and substance of the TN tax home. Your continual absence from TN would give the impression that you abandoned your tax home in TN. This could cause a red flag and bring in the auditors.

Have you ever known anyone who has been audited? It can really be stressful. Be smart in how you handle your affairs.

