CASES, REGULATIONS AND STATUTES

by Robert P. Achenbach, Jr.

ADVERSE POSSESSION

HOSTILE USE. The disputed land was enclosed by a fence which followed a road bordering the property. The land was used as part of the plaintiff's ranch to pasture cattle in the summer for over 20 years. The plaintiff discovered that the plaintiff's property included the disputed property when a survey was performed as part of a platting of the plaintiff's property for purposes of developing a residential subdivision. The plaintiff approached the defendant about the true ownership of the disputed property and the defendant offered to either purchase the strip or exchange other property for it. However, nothing was done and the defendant's use continued. The court held that the grazing of cattle was sufficiently hostile use to support acquisition of the property by adverse possession. The court also held that the discussion between the parties as to ownership and a possible purchase did not defeat the adverse possession claim because the plaintiff did nothing to make use of the property and did not give the defendant permission to use the property. The Supreme Court reversed, holding that the defendant did not present sufficient evidence of hostile use of the disputed land. The court noted that the defendant only occasionally allowed workers or cattle to go onto the land, the defendant knew the land did not belong to the defendant, and the fence predated the parties' ownership of the land. The court also noted that the defendant's use of the disputed property was more a matter of convenience than an attempt to assert ownership. **Hoffman v. Freeman Land & Timber, LLC, 994 P.2d 106 (Or. 1999), *rev'g*, 964 P.2d 1144 (Or. Ct. App. 1998)**.

BANKRUPTCY

CHAPTER 12-*ALM* § 13.03[8].*

TRUSTEE FEES. The debtors' chapter 12 plan provided for payment of secured claims directly, without payment first to the trustee and without payment of trustee's fees. The trustee argued that the Bankruptcy Court and District Court misapplied the holding in In re Wagner, 36 F.3d 723 (8th Cir. 1994) by holding that the debtor had an absolute right to make plan payments directly to creditors. The appellate court upheld the confirmation of the Chapter 12 plan, holding that a Chapter 12 plan could provide for direct payments to secured creditors so long as the plan was feasible with such payments. ***In re* Haden, No. 98-3035 (8th Cir. April 12, 2000), *aff'g*, No. 2:96CV00092 ERW (E.D. Mo. June 2, 1998), *aff'g* Nos. 94 20111-293/94-20178- 293/93-20183-293 (Bankr. E.D. Mo. Oct. 3, 1996)**.

FEDERAL TAX-*ALM* § 13.03[7].*

POST-PETITION INTEREST. The debtor's Chapter 12 plan provided for full payment of an unsecured priority tax claim but did not provide for payment of any post-petition interest on the claim. The debtor made all payments under the plan and received a discharge. The IRS sought collection of post-petition interest on the claim from the debtor. The debtor argued that the IRS was bound by the res judicata effect of the bankruptcy plan and discharge. The Bankruptcy and District Court cited *In re Bossert, 201 B.R. 553 (Bankr. E.D. Wash. 1996) and In re Mitchell, 210 B.R. 978 (Bankr. N.D. Tex. 1997, aff'd, unrep. D. Ct. dec. (N.D. Tex. 1997)* in holding that the IRS was not entitled to post-petition interest. The appellate court reversed, holding that the post-petition interest was nondischargeable whether or not it was included in the plan. ***In re* Cousins, 85 AFTR2d 2000-578 (1st Cir. 2000), *rev'g*, 238 B.R. 503 (D. N.H. 1999), *aff'g*, 236 B.R. 119 (Bankr. D. N.H. 1999)**.

TAX LIENS. A petition for certiorari has been submitted for the following case. The debtor was a beneficiary of a spendthrift trust and filed for Chapter 7. The debtor had received a discharge of some taxes but was not discharged for other taxes. The IRS had filed a pre-petition tax lien for several years of tax deficiencies. The issue was whether the tax lien attached to a property interest of the debtor in the spendthrift trust or whether the lien attached only to distributions from the trust when made. The court held that the debtor's right to future distributions was a property right to which the tax lien attached when filed; therefore, the tax lien for both the discharged and nondischarged taxes remained valid against the future distributions from the trust. ***In re* Orr, 180 F.3d 656 (5th Cir. 1999)**.

FEDERAL AGRICULTURAL PROGRAMS

CROP INSURANCE. The FCIC has issued proposed regulations which (1) add provisions for the insurance of Kamut and buckwheat, (2) include additional insurance benefits, clarify existing policy provisions to better meet the needs of the insured, improve actuarial soundness, and (3) restrict the effect of the current Small Grains Crop Insurance Provisions and the Wheat Crop Insurance Winter Coverage Endorsement to the 2000 and prior crop years. **65 Fed. Reg. 21144 (April 20, 2000)**.

JOHNE'S DISEASE. The APHIS has adopted as final regulations amending the paratuberculosis regulations by

(1) changing the references for paratuberculosis to Johne's disease, (2) adding an official test for the disease, and (3) allowing only restricted interstate movement of animals which have tested positive for the disease. The APHIS noted that 22 percent of the dairy herds in the US are infected with the disease which does not clinically manifest itself in an animal until two to three years after infection. **65 Fed. Reg. 18875 (April 10, 2000)**.

KARNAL BUNT. The APHIS has issued proposed regulations which amend the Karnal bunt regulations by removing from regulated areas any noninfected acreage that is more than three miles from a field or area associated with a bunted wheat kernel. This action would reduce the size of the areas that are regulated because of Karnal bunt in La Paz, Maricopa, and Pinal Counties of Arizona. The amendments also specify that mechanized harvesting equipment must be cleaned and disinfected before leaving a regulated area only if it has been used to harvest host crops that test positive for Karnal bunt. **65 Fed. Reg. 20770 (April 18, 2000)**.

PSEUDORABIES. The APHIS has issued interim regulations amending the pseudorabies regulations regarding the payment of indemnity for herds of swine depopulated because of pseudorabies to provide that APHIS will pay owners of the swine an indemnity equal to the difference between the net salvage received and the fair market value of the swine destroyed. The amendments also provide for the payment of indemnity for individual breeding sows destroyed because they are infected with pseudorabies. **65 Fed. Reg. 20706 (April 18, 2000)**.

TOBACCO. The AMS has adopted as final changes to the tobacco grading regulations to add "purchaser" to the list of persons who are prohibited from attempting to influence, impede or discuss the grading of their tobacco by a tobacco inspector. The amendments also remove language which permitted tobacco producers to discuss the grading of their tobacco during the grading process. **65 Fed. Reg. 19825 (April 13, 2000)**.

FEDERAL ESTATE AND GIFT TAX

GENERATION SKIPPING TRANSFERS. The IRS ruled that a trust established prior to September 1985 could be divided into three equal share trusts, one for each beneficiary, with the same terms as the original trust without subjecting the trust to GSTT. **Ltr. Rul. 200015004, Dec. 22, 1999**.

GIFT. Several years before death, the decedent owned just over 50 percent of a corporation, with the decedent's child owning the remaining shares. As part of an estate plan, the decedent transferred the shares to the child in exchange for a 10 year promissory note under which the child would pay interest only for 10 years with the balance due on maturity of the note. The note was for $3 million. No attempt was made to negotiate the price or to determine the actual fair market value of the shares. The IRS assessed gift tax on the transfer several years later after the decedent's death. The IRS argued that the value of the stock was over $8 million at the time of the gift. The estate argued that the gift was not complete because the child committed fraud in failing to pay the fair market value of the shares. The court held that the estate could not argue that the decedent had not fully understood the purpose of the original transaction as an estate planning device which froze the value of the decedent's estate and completed the intent of the decedent that the child should have the stock. The court also determined the value of the stock to have been $4.9 million because of a marketability discount and a control premium. **Estate of Maggos v. Comm'r, T.C. Memo. 2000-129**.

GROSS ESTATE. The decedent owned in trust stock in a corporation which owned ranch land. The corporation had granted conservation easements to a qualified organization but retained limited development and commercial use rights. After the decedent's death but before the filing of the estate tax return, the corporation executed an agreement to extinguish the development and commercial use rights. The IRS ruled that the corporation had retained development rights in the land but that the agreement to extinguish the rights was effective to remove the rights from the decedent gross estate. **Ltr. Rul. 200014013, Dec. 22, 1999**.

SPECIAL USE VALUATION. The decedent's estate included several parcels of timberland which were eligible for special use valuation. The issue in the case was whether the tracts were eligible for valuation under I.R.C. § 2032A(e)(7), the formula method using the rent capitalization value, or I.R.C. § 2032A(e)(8), the five factor method. The estate's expert appraiser used five comparable properties in an attempt by the estate to use the formula method. The IRS argued that the formula method could not be used because, although the properties were similar as to the land involved, the properties differed as to rental value and as to timber volume, quality and quantity. The court held that the comparable tracts were similar to the estate tracts in all nine of the factors set out in Treas. Reg. § 20.2032A-4(d). The IRS argued that the lands were not comparable because the leases for the comparable tracts were not negotiated within five years before the decedent's death. The court held that ineligibility for the formula method could not be based on only one of the nine factors and noted that all of the leases had rent escalation clauses which provided for increases during the leases' terms. The IRS also argued that the timber on the land had to be valued separately. The court held that, under I.R.C. § 2032A(e)(13), the value of the timber was included in the value of the land, especially where the land in the decedent's estate is valued under the formula method and the leases included the timber. Some of the timberland had been cleared and was used for pasture. The court held that the estate could not use the formula method to value the pasture land tracts because none of the comparables was used for pasture. **Estate of Rogers v. Comm'r, T.C. Memo. 2000-133**.

VALUATION. The decedent owned stock in two corporations. The corporation owned real property with built-in capital gains liability. At the time of the decedent's death, the property was subject to possible condemnation sale to a governmental unit, and after the decedent's death the property was sold to the governmental unit. The corporation made an election, under I.R.C. 1033, not to recognize gain from the sale and to obtain replacement property. Also, a year after the decedent's death, the decedent's stock was purchased by a related person. The estate valued the decedent's stock using the purchase price of the stock sale and reduced that value by the stock's share of the amount of built-in gains in the property. The IRS argued that no discount for built-in gains was allowed because the corporation had no plan of liquidation or sale of the property which would produce recognized gain. The court agreed, noting that the Section 1033 election also demonstrated that no gain would be recognized by the corporation from the sale. The deferral of the gain made recognition of the gain too speculative to include the gain as a discount of the property value for estate tax purposes. In an opinion designated as not for publication, the appellate court reversed, holding that, as a matter of law, the availability of the Section 1033 election did not negate the effect of the built-in gains on valuation of the corporate stock. The court also held that, under *Eisenberg v. Comm'r, 155 F.3d 50 (2d Cir. 1998)*, the value of stock could be discounted because of built-in gains in property owned by the corporation, whether or not the corporation planned to liquidate or sell the property. The case was remanded for a factual determination of the effect on value of the built-in gains given the lack of corporate liquidation plans and the availability of the Section 1033 election. The court noted that the actual post-death Section 1033 election by the corporation was not relevant to the value at the time of the decedent's death. **Estate of Welch v. Comm'r, 2000-1 U.S. Tax Cas. (CCH) ¶ 60,372 (6th Cir. 2000), *rev'g and rem'g*, T.C. Memo. 1998-167**.

A partnership agreement provided for purchase by the partnership of a partnership interest of a deceased partner. The agreement provided for immediate purchase of 49 percent of the interest and purchase of the remaining 51 percent by a ten year promissory note at 5 percent interest. The agreement was modified to provide for interest at the greater of 5 percent or the long-term applicable federal rate as defined by I.R.C. § 1274. The IRS ruled that the amendment did not subject the valuation of the partnership interests to I.R.C. §§ 2703, 2704. **Ltr. Rul. 200015012, Jan. 5, 2000**.

FEDERAL INCOME TAXATION

BAD DEBTS. A petition for certiorari has been submitted for the following case. The taxpayer had loaned funds to a solely-owned corporation. The taxpayer claimed the loans as bad debts on income tax returns for 1988 and 1989 and the bad debt deductions offset gains realized from the sale of stock in another corporation. However, after 1988, the taxpayer's corporation continued to do business and even made a public offering of stock. The court held that the loans were not shown to be worthless in 1988 or 1989 and disallowed the bad debt deductions. The appellate court affirmed in a decision designated as not for publication. **Coborn v. Comm'r, 2000-1, U.S. Tax Cas. (CCH) ¶ 50,132 (8th Cir. 1999), aff'g, T.C. Memo. 1998-377**.

The IRS has published an information letter which reviews the evidence needed to prove a nonbusiness bad debt for purposes of the nonbusiness bad debt deduction. **INFO 2000-0002**.

C CORPORATIONS-*ALM* § 7.02.*

ACCOUNTING METHOD. The taxpayers were two medical professional corporations which provided chemotherapy services. The staff physicians examined patients and prescribed the chemotherapy for the patients' conditions. The taxpayers provided pharmacy services for drugs which were not administered at the clinics but were part of the chemotherapy regimen as well as the drugs which were used at the clinic. The IRS argued that the taxpayers were required to maintain inventories of the drugs as merchandise. The court held that the drugs were not merchandise but were part of the medical services offered by the taxpayers; therefore, the taxpayers were not required to use the accrual method of accounting. **Mid-Del Therapeutic Center, Inc. v. Comm'r, T.C. Memo. 2000-130**.

CASUALTY LOSS. The taxpayers, husband and wife, were involved in an automobile accident which totaled their automobile. The taxpayers filed a claim for the purchase price of the automobile with their insurance company which did not deny coverage but which submitted a payment for the fair market value of the automobile. The parties were in negotiations in 1994 but the taxpayers claimed the value of the automobile as a casualty loss on their 1994 return. The court held that no casualty loss deduction was allowed for 1994 because the taxpayers had a good chance of recovery of at least part of the value of the automobile in 1994. **Mitic v. Comm'r, T.C. Memo. 2000-144**.

COURT AWARDS AND SETTLEMENTS-ALM § 4.02[14]. The taxpayer had sued an insurance company for fraudulently selling the taxpayer supplemental medicare insurance which the taxpayer could not use. The taxpayer was awarded compensatory and punitive damages and post-judgment interest. The taxpayer's attorneys collected the award and paid the taxpayer one-half as arranged under their fee agreement. The court held that the punitive damage award and post-judgment interest were included in the taxpayer's gross income and that the amount retained by the attorneys was eligible for the miscellaneous deduction for the taxpayer. **Foster v. United States, 2000-1 U.S. Tax Cas. (CCH) ¶ 50,353 (N.D. Ala. 2000)**.

The taxpayer filed a suit against the FDIC for damage to the taxpayer's business reputation resulting from withdrawal of a line of credit. The parties reached a settlement and the taxpayer did not include the settlement in income, arguing that the proceeds were received for the damage to the taxpayer's business reputation. Although the court acknowledged that damages for loss of business reputation were excludible from gross income, the settlement proceeds were paid to compensate the taxpayer for the loss of the company business and were included in gross income. **Coblenz v. Comm'r, T.C. Memo. 2000-131**.

DEPRECIATION. The IRS has published an information letter explaining why a depreciation deduction is not allowed for the purchase price of land which is rented to farmers. Essentially, depreciation is not allowed because land has an unlimited useful life. **INFO 2000-0007**.

DISASTER PAYMENTS. On February 17 and April 11, 2000, the president determined that certain areas in Alaska were eligible for assistance under the Act as a result of severe winter storms and avalanches on December 21, 1999. Taxpayers in these areas who sustained losses attributable to the disaster may deduct them on their 1999 returns. **FEMA-1316-DR**.

HEAD OF HOUSEHOLD. The taxpayer was the unmarried parent of three children which were under the legal custody of the other parent. The taxpayer paid child support, medical expenses and general support during the time the children resided with the taxpayer, which was less than one-half of each tax year. The court held that, although the taxpayer could claim the children as dependents for purposes of the dependency exemptions, the taxpayer could not use the head of household filing status because the children did not reside with the taxpayer for most of the tax year. **Hughes v. Comm'r, T.C. Memo. 2000-143**.

HOBBY LOSSES. The taxpayers, husband and wife, operated a cattle and deer operation. The taxpayers were also the sole shareholders of a corporation which operated a manufacturing facility. The court held that the taxpayers did not operate the cattle and deer operation with the intent to make a profit because (1) the taxpayers did not keep complete and accurate books, and did not have any business plan to make the operation profitable; (2) although the taxpayers had substantial knowledge of raising cattle, they had little experience in making such an operation profitable; (3) although the taxpayers spent considerable time on the operation, much of that time was spent in recreational activities; (4) although the real property appreciated, the appreciation was substantially less than the losses incurred; (5) although the taxpayers were successful with their manufacturing business, the taxpayer made little effort to make the cattle and deer operation profitable; (6) the operation had losses in 19 of the 20 years of operation; (7) the taxpayers had substantial income from other sources which was offset by the farm losses; and (8) the taxpayers received much personal pleasure from the cattle and deer operation as well as other aspects of rural life. **Kahla v. Comm'r, T.C. Memo. 2000-127**.

IRA. Under a divorce judgment, one-half of the taxpayer's IRA was ordered to be divided equally between the taxpayer and the taxpayer's former spouse. The taxpayer withdrew $125,000 from the IRA and paid most of it to the former spouse in satisfaction of the property division. The taxpayer argued that one-half of the IRS belonged to the spouse and should not have been included in the taxpayer's income. The court ruled that the IRA withdrawal was fully taxable to the taxpayer because the IRA was in the taxpayer's name and the taxpayer withdrew the funds from the IRA instead of transferring a one-half interest to the spouse. **Bunney v. Comm'r, 114 T.C. No. 17 (2000)**.

INSTALLMENT REPORTING. The IRS has issued guidance in the form of questions and answers on several topics involving installment reporting of gain. In the first scenario, an S or C corporation is on the accrual method and the shareholder is on the cash method. The IRS stated that (1) the shareholder could report the installment sale of stock on the installment method; (2) the corporation could not report the installment sale of corporate assets on the installment method; (3) the shareholder's Section 338 election does not affect (1) or (2); (4) if the shareholder is also a corporation and the shareholder and buyer of the stock make the Section 338 election, the shareholder may not use installment reporting; and 5) if the shareholder does not realize any gain on the sale of stock, the corporation cannot report any deemed asset sale gain on the installment method. In the second scenario, a partnership is on the accrual method and the partner is on the cash method. The IRS stated that (1) the partner could report the gain from an installment sale of a partnership interest on the installment method and (2) the partnership could not report the gain from an installment sale of partnership assets using the installment method. **Notice 2000-26, I.R.B. 2000-17**.

MEDICAL DEDUCTION. The taxpayer was diagnosed as suffering from asthma and allergies which made the taxpayer sensitive to dust. The taxpayer had a letter from a doctor that recommended removal of carpeting from the taxpayer's bedroom to reduce the dust in the air. More than 15 years after the letter, the taxpayer remodeled several areas in the house, removing the carpeting and replacing the floors with expensive hardwood flooring as well as purchasing show piece furniture and repainting much of the interior. The remodeling was intended to create a showcase home for clients of the taxpayer's interior design business. The taxpayer claimed the carpet removal and hardwood floor installation as a medical expense. The court held that the taxpayer could not claim the costs of the carpet removal and hardwood floor installation as a medical expense because the taxpayer failed to show that the costs were required to relieve or cure the taxpayer's medical condition. **Mitic v. Comm'r, T.C. Memo. 2000-144**.

MILEAGE EXPENSE. The IRS has published an information letter explaining the process for determining the annual national mileage expense deduction for automobile business use. **INFO 2000-0009**.

The IRS has published an information letter explaining why the mileage rate deduction for automobile use for medical care is lower than for business use. **INFO 2000-0008**.

PARTNERSHIPS-*ALM* § 7.03.*

DEFINITION. The taxpayer was convicted of filing a false return for claiming partnership deductions from a partnership of which the taxpayer was not a partner and failing to include in income embezzled funds. The evidence showed that the taxpayer embezzled funds from an agricultural cooperative by making checks from the agricultural cooperative to the taxpayer instead of to a trucking company. The owner of the trucking company, the brother of the taxpayer, listed the taxpayer as a partner on

*Agricultural Law Manual (ALM).

tax returns as a favor to allow the taxpayer to use partnership deductions. The court held that sufficient evidence was presented that showed that the taxpayer was not a bona fide partner in the trucking company and that the embezzled funds were not distributions of income from the trucking company to the taxpayer as a partner. The appellate court opinion is designated as not for publication. **United States v. Worman, 2000-1 U.S. Tax Cas. (CCH) ¶ 50,359 (10th Cir. 2000)**.

RETURNS. The taxpayer was not married but lived with a same sex partner. The taxpayer shared assets and income with the partner. The court ruled that the taxpayer was not entitled to file using the married taxpayer status and that the filing status classifications of the Internal Revenue code were constitutional. **Mueller v. Comm'r, T.C. Memo. 2000-132**.

The IRS has announced that, beginning with the 2001 filing season, returns in the Form 1040 series will include a checkbox that taxpayers can use to designate a paid preparer to work directly with the IRS to handle return processing matters and receive information about refunds or payments. Taxpayers who use the Checkbox Initiative will not have to execute a power of attorney in order to allow their preparers to resolve processing issues such as notices of mathematical errors relating to the specific return. However, the initiative will not apply to examination matters, underreported income, appeals, collection notices, and other substantive issues. It also will not be available on TeleFile returns. **IR-2000-23**.

SAFE HARBOR INTEREST RATES
May 2000

	Annual	Semi-annual	Quarterly	Monthly
Short-term				
AFR	6.42	6.31	6.27	6.24
110 percent AFR	7.07	6.95	6.89	6.85
120 percent AFR	7.72	7.58	7.51	7.46
Mid-term				
AFR	6.40	6.30	6.25	6.22
110 percent AFR	7.05	6.93	6.87	6.83
120 percent AFR	7.70	7.56	7.49	7.44
Long-term				
AFR	6.20	6.11	6.06	6.03
110 percent AFR	6.83	6.72	6.66	6.63
120 percent AFR	7.46	7.33	7.26	7.22

Rev. Rul. 2000-23, I.R.B. 2000-__.

S CORPORATIOS-*ALM* § 7.02[3][c].*

SHAREHOLDER BASIS. The taxpayer was the sole shareholder of a corporation which operated an insurance company. The taxpayer was also the majority shareholder in a corporation in the restaurant business. The insurance corporation made several payments to the restaurant corporation with the payments shown as loans on the restaurant corporation's books and as shareholder loans on the insurance corporation's books. The court held that the insurance corporation made the payments on behalf of the taxpayer and that the restaurant corporation was indebted to the taxpayer and not the insurance corporation for the payments. Therefore, the payments increased the taxpayer's basis in the restaurant corporation stock and allowed the taxpayer to take the taxpayer's share of the restaurant corporation's losses. **Culnen v. Comm'r, T.C. Memo. 2000-139**.

STATE TAXES. The taxpayer was a corporation which leased land in the Everglades Agricultural Area in Florida. The state and federal governments reached an agreement to decrease the amount of phosphorus which flowed into the Everglades from the agricultural area. The state constructed containment ponds and marshes which reduce the amount of phosphorus in the water before allowing the water to flow into the Everglades. In order to fund this project, farmers in the Everglades Agricultural Area whose lands discharge water into the containment area must obtain permits and pay an Everglades Agricultural Privilege Tax (EAP tax) assessed by the state. The taxpayer claimed the tax as a real property tax deduction but the IRS ruled that the tax was not eligible for the real property tax deduction because the tax was assessed against a local benefit. The IRS also ruled that the EAP tax was not eligible for a business deduction for taxes, under I.R.C. § 164, because the EAP tax was not assessed at the same rate against all property owners/holders, but was limited to farmers in a specified area. The IRS noted that the EAP tax was assessed only to farmers who had water with high amounts of phosphorus which was discharged into the project containment areas. No tax was assessed against farmers with no discharge or who proved that their discharge water had low levels of phosphorus. In addition, the IRS noted that the tax funds were used for a specific purpose, to offset the cost of treating the water to remove phosphorous. The IRS ruled, however, that the assessment was a user fee deductible under I.R.C. § 162. The IRS noted that, although the assessments were to be made in several tax years prior to construction of the containment areas and thus produced only future benefits, the assessments were not required to be capitalized because the taxpayer did not acquire any property or property right and the payment of the tax in the early years did not guarantee a benefit in the later years since the taxpayer would be required to pay the tax in the later years in order to take advantage of the containment system. The IRS also discussed the issue of whether the tax could be viewed as a prepaid expense. The IRS ruled that the tax payments were not required to be capitalized as prepaid expenses because the taxpayer could not obtain a refund, the tax served a legitimate business purpose and the tax did not materially distort the income of the taxpayer. **Ltr. Rul. 200014003, Dec. 1, 1999**.

TRAVEL EXPENSES. The taxpayer was an apprentice ironworker who worked for various employers only on a temporary basis. The taxpayer traveled to a union hall to obtain work and worked on various projects until no longer needed. The taxpayer claimed a deduction for the travel costs from home to the union hall and to the various job sites. Although the taxpayer was allowed a deduction for the travel costs to the union hall as a job seeking expense, the expenses for travel to the temporary job sites was not allowed because the taxpayer did not have a permanent place of employment. **Aldea v. Comm'r, T.C. Memo. 2000-136**.

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