

HOW TO DEDUCT TRAVEL

(LEGALLY!) IN 2025



Good news: most of the regular costs of business travel are tax-deductible.

Better news: if the trip is primarily for business, you can tack on a few vacation days and still deduct the trip from your taxes (in good conscience).

Unfortunately, you can't just jump on the next plane to the Bahamas and write the trip off as one big business expense. You must fulfill the IRS requirements.

4 WAYS TO ENSURE YOUR TRIP QUALIFIES AS BUSINESS

1 - LEAVE YOUR TAX HOME

Your tax home is the locale where your business is based. Traveling isn't technically a "business trip" until you **leave your tax home for longer than a typical workday** to do business in another location.

2 - THE TRIP MUST CONSIST MOSTLY OF BUSINESS

For a getaway to qualify as a business trip, you must spend **most of your trip doing business**. The IRS measures your time away in days, and the days you travel to and from your location count as workdays.

3 - THE TRIP MUST BE AN ORDINARY AND NECESSARY EXPENSE

"Ordinary and necessary" is a term used by the IRS to designate the costs that are **ordinary for a business** (given the industry), and **necessary for the sake of carrying out business activities**. What qualifies can sometimes seem like a gray area. Our advice: err on the side of caution.

4 - THE TRIP MUST BE PLANNED IN ADVANCE

Before your trip, document your plans (in writing) of where you'll be each day and who you'll see. If possible, email a copy to someone to give it a timestamp. **The documentation helps prove that there was professional intent behind your trip.**

**Remember, the days you travel to and from your location are workdays.

TRAVELING OUTSIDE THE US

Business travel rules are slightly relaxed when you travel abroad. You need to spend **at least 75% of your time outside of the country conducting business** for the getaway to qualify as a business trip. But you can still deduct travel costs proportional to the work time if less than 75% of your time is spent doing business.

A TALE OF TWO TRIPS

EXPENSE FULLY	EXPENSE PARTIALLY
You take a eight-day trip to Paris. You spend six days conducting business, so you can deduct the entire cost of the airfare (2/5 = 40% of trip). The time away is a business trip.	Same trip, but only two days conducting business (2/8 = 25%) so you can only deduct 25% of the airfare cost as a business expense. The time no longer qualifies as a business trip.

BUSINESS TRIP	VACATION
You go away for a week (seven days). You spend five days meeting with clients and two days lounging on the beach.	You go away for a week (seven days). You spend three days meeting with clients and four days lounging on the beach.

LIST OF TRAVEL EXPENSES

Make sure you **make a note** on the receipt, or in your [Hubdoc App](#), about the nature of the meeting you conducted, including the date, who you met with, and what you discussed.

Here are some examples of business travel deductions you can claim*:

- Hotel and Airbnb costs
- Rental car costs
- Baggage fees
- 50% of meals while traveling to and from your destination
- 50% of eligible business meals
- Laundry/dry cleaning during your trip
- Transportation (plane, train, bus) from home to your business destination

*Just like any deductible business expense, the meals must remain "ordinary and necessary" for conducting business.

SURPRISED BY WHICH EXPENSES ARE TAX-DEDUCTIBLE?

We aren't.

Travel expenses are **just one of many unexpected deductible costs** that can reduce your tax bill. But with messy or incomplete financials, you can miss these tax-saving expenses and end up with more than necessary tax bills.

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