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Tax Deductibility of Resume Preparation and Other Job Search Fees

Many of the fees charged by <u>AlphaDogResumes.com</u> (together with certain travel-related expenses) are tax deductible for U.S. Federal income tax purposes, subject to certain IRS rules.

According to IRS Publication 529, job search expenses can be deducted as miscellaneous itemized tax deductions if you look for a job in the same field at the same level as the one you left. The job search expenses are deductible even if you do not get the job.

You can claim job-seeking expenses as long as the amount of all your miscellaneous itemized tax deductions is more than 2% of your adjusted gross income. To figure your tax deduction, subtract 2% of your adjusted gross income from the total amount of these expenses. Job search expense tax deductions are also subject to the overall limitation on itemized deductions based on income threshold amounts.

The following expenses are deductible:

- Resume preparation: typing and printing, postage, long-distance charges, advertising, and photographs required for your resume.
- Travel: airfare, mileage (some automobile expenses have been approved), meals (based on either actual expenses or standard Federal per diem rates) and lodging (actual expenses only).
- Employment agency fees: If in a later year, your new employer repays your agency fees, you must include the amount in your income up to the amount of the tax deduction you claimed earlier. If your employer pays fees directly to the agency, you do not have to include them in your income.

Your job search must be for a job in your current or most recent trade or business and should be at a similar level of responsibility with duties similar to those of your most recent job:

- If you have not held a job in that trade or business for an extended length of time, your job search will be considered for a new trade or business, and your tax deductions may not be allowed.
- If you held a college internship or valid job while in college and your search is for a
 job in the same trade or business, you will be able to take the job search tax
 deductions.
- If you are just out of school and had no paying jobs while in school that were related to your trade or business, your tax deductions will not be allowed.

For more details, please see IRS Publication 529.