

Understand “The 50 Mile Rule”

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If you are a [travel nurse](#) you have probably heard some recruiter, somewhere mention a “50 Mile” Rule. The so called 50 mile rule is the imaginary logistical line that magically turns a [nursing job](#) into a [travel nursing job](#) that might offer tax free money. First, let us tell you that there is no 50 mile rule when it comes to legally qualifying for tax free reimbursements. Secondly, let us say that while we believe the recruiters that quote the 50 mile rule are misinformed, we don’t think their misguided information comes from malice. Rather, the confusion lies with a misunderstanding between IRS Code and hospital policy. Across the country, many hospitals consider a traveler any professional that lives farther than 50 miles away from their hospital. This has nothing to do with the IRS at all. This is strictly hospital policy. Many recruiters confuse hospital policy with IRS rules and set up a traveler to receive tax free reimbursements that they do not legally qualify for.

IRS rules can be confusing because some are based on the subjective data as it relates to the specific individual. For example: If the travel distance requires the nurse to stay overnight to be refreshed to perform her job, then this qualifies. If the nurse travels home after every shift, then tax free reimbursements don’t apply. This distance is different based on the nurse. This is called the Sleep & Rest Test.

Example 1: Hadley Sleepover, RN travels to work at a hospital 60 miles from her house. The drive takes 1.5 hours each way. Hadley knows that this commute would make her too tired to effectively do her job. She has a tax home and accepts housing from her travel company. She is compliant because she does not return home during her assignment.

Example 2: Shana Comehome, RN travels 70 miles to work at a hospital. The drive takes about 1.75 hours. She drives home at the end of her shift and uses the drive time to unwind and talk to her friends & family on her cell phone. Shana has a tax home and does not qualify for tax free reimbursements because she is returning home at the end of each shift.

Example 3: Kerri Hotel, RN accepts an assignment that’s about 75 miles from her tax home. She works 12 hour shifts and blocks them together so she works 3 days in a row. During these shifts, she stays in a hotel. On her “off days” she returns home. Kerri has accepted a housing allowance from her travel company. However, because Kerri returns home, 4 days per week- 4/7ths of this housing allowance is taxable. This is because when she returns home she doesn’t have duplication of expenses.

Example 4: Gabby Apartment, RN accepts an assignment that is 100 miles from her home. She has a tax home and accepts the package provided by her travel company. Like Kerri above, Gabby returns home on her off days. The housing allowance qualifies for tax free reimbursements; however, the meal allowance must either

be returned or added as taxable income. This is because the recurring expense of the apartment remains even while Gabby is at home. There is duplication of expenses.

We truly hope these examples help you gain a better understanding about the myths of the 50 mile rule.

Happy Travels