

# What is a Tax Home?

## Tax Home vs. Permanent Residence

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[Travel nursing](#) has many perks. In addition to beautiful locations, elegant housing, awesome hospitals, and more [nursing jobs](#) than you have probably ever imagined, there is also *tax free money*. Tax free money is one of the biggest perks in travel nursing. However, not all nurses qualify to receive tax free money...legally. So what makes one nurse qualify when others don't? The simple determination is whether or not the nurse has a tax home or permanent residence. To help you better understand what each is and the difference, please read the following definitions and examples:

### ***What is a tax home?***

Broadly speaking, the definition of "tax home" is the home you return to on a regular basis where you incur substantial and recurring expenses. You should also have strong legal & historical ties. These might include: driver's license, voter registration, banking, car registration, and mail delivery.

Example 1: Jane Homeowner, RN has a 1400 sq. ft home in North Carolina. She has a mortgage that she pays every month and has cancelled checks to back up her financial expenses of this home. When Jane travels, the expenses to keep this home remain. She pays the mortgage regardless if she is there or not. This is her tax home because when she travels, she will have a duplication of expenses. Therefore, she will be entitled to tax free reimbursements.

Example 2: John Renter, RN has a one bedroom apartment in Florida which he pays monthly rent in exchange for the dwelling. He also has cancelled checks, money order receipts, and a lease in his name to demonstrate he pays for the expense of this apartment. As John travels, he will still be responsible to pay for the rent on this apartment. This is his tax home because he will have a duplication of expenses when he travels. Therefore, he is entitled to tax free reimbursements.

Example 3: Robin Sharehouse, RN rents a home and has a room mate. The monthly rent is \$1500 and she is responsible for half, or \$750. She has proof such as a rental lease in her name, cancelled checks, money order receipts, and some paid in cash receipts, that she maintains a portion of this dwelling. When Robin travels, she is still financially responsible for her share of the dwelling. This is her tax home because she will have a duplication of expenses while she travels. Therefore she will be entitled to tax free reimbursements.

### ***What is a permanent residence?***

A permanent residence is a place where you live that has legal and historical ties but does not require the maintenance of a primary home.

Example 1: Sally Parents, RN lives with her mom & dad. Being their daughter, her parents don't charge her rent and let her have nearly full use of the house. Sally, therefore, does not have a tax home, but this is her permanent residence. When Sally travels, she is not entitled to tax free reimbursements.

Example 2: Susie Boyfriend, RN lives with her long time boyfriend. The house is mortgaged in her boyfriend's name. Susie doesn't pay rent. This is Susie's permanent residence, but not her tax home. Therefore, she is not entitled to tax-free reimbursements.

## ***Misconceptions Cleared Up***

It is probably becoming clear that claiming an address doesn't give you rights to tax free reimbursements. You must have substantial recurring expenses to legally qualify for tax free reimbursements.

If you are claiming your parent's home, relative's home, or your significant other's home as your tax home it must be validated:

- 1- You will need a contract showing that you have substantial financial obligations to maintain the residence.
- 2- Rent must be fair market value and the recipient of the rent must claim the income on their taxes.

\* If you have a tax home, but rent it out while traveling, without maintaining a portion of it for yourself, you are disqualified from tax free reimbursements.

\* You can not use storage units as a residence.

\* Do not use a P.O. Box as a residence. (In other words don't go out and get a P.O. Box just to have an address in the state)

\* If you live in an RV that you take with you on assignments, you do not qualify for tax free reimbursements. In this instance, your home goes with you and you will not have duplicate expenses.

We hope this helps you gain a better understanding of tax home vs. permanent residence. We also must say, nothing substitutes the advice of a good accountant. Therefore, please do not consider this posting as tax advice, but rather information to help glean a better understanding of what a tax home and permanent resident are. If you would like more information on travel nursing and tax free money, I encourage you to request our free report: [Travel Nursing And Tax Free Money...What Every Travel Nurse Should Know.](#)

Happy Travels!!!