

Six Tax Benefits for Job Seekers

Did you know that you may be able to deduct some of your job search expenses on your tax return?

Many taxpayers spend time during the year updating their résumé and attending career fairs. If you are searching for a job this year, you may be able to deduct some of your expenses on your tax return. Here are six things the IRS wants you to know about deducting costs related to your job search.

1. To qualify for a deduction, the expenses must be spent on a job search in your current occupation. You may not deduct expenses incurred while looking for a job in a new occupation.
2. You can deduct employment and outplacement agency fees you pay while looking for a job in your present occupation. If your employer pays you back in a later year for employment agency fees, you must include the amount you receive in your gross income up to the amount of your tax benefit in the earlier year.
3. You can deduct amounts you spend for preparing and mailing copies of your résumé to prospective employers as long as you are looking for a new job in your present occupation.
4. If you travel to an area to look for a new job in your present occupation, you may be able to deduct travel expenses to and from the area. You can only deduct the travel expenses if the trip is primarily to look for a new job. The amount of time you spend on personal activity compared to the amount of time you spend looking for work is important in determining whether the trip is primarily personal or is primarily to look for a new job.
5. You cannot deduct job search expenses if there was a substantial break between the end of your last job and the time you begin looking for a new one.
6. You cannot deduct job search expenses if you are looking for a job for the first time. For more information about job search expenses, see IRS Publication 529, Miscellaneous Deductions. This publication is available on [IRS.gov](https://www.irs.gov) or by calling 800-TAX-FORM (800-829-3676).