

Total Off-Crew Days _____ (supplied from command)

Subtract Leave Days - _____

Equals:

Net Off-Crew Days =

$$\left. \begin{aligned} \text{Net Off-Crew Days } \underline{\hspace{2cm}} \div 30 &= \underline{\hspace{2cm}} \text{ net off-crew months} \\ \text{Net Off-Crew Days } \underline{\hspace{2cm}} \div 7 &= \underline{\hspace{2cm}} \text{ net off-crew weeks} \\ \text{Net Off-Crew Days } \underline{\hspace{2cm}} \div 7 \times 5 &= \underline{\hspace{2cm}} \text{ net off-crew workdays} \\ & \text{(Subtract days you were in refit from your off-crew days to get your office days)} \\ \underline{\hspace{2cm}} - \underline{\hspace{2cm}} &= \underline{\hspace{2cm}} \\ \text{Refit Assist Days} - \text{Off-crew workdays} &= \text{Office workdays} \end{aligned} \right\}$$

✓ **Standards** (supplied from IRS Pub. 17, Chapter 26, pages 172 & 177 and IRS Pub 1542)

Mileage Deduction: Due to the infinite wisdom of the IRS, the mileage deduction must be calculated twice, once for the miles driven January 1 – June 30, 2008 (Table 1) and then again for July 1 – December 31, 2008 (Table 2).

Mileage Deduction (driven before July 1, 2008)

(* x 4 if you eat lunch at home)

(A) Miles home to **office** = _____ x 2 (or x 4)* = _____ (miles per workday "office")

_____ x _____ = **1** _____ x .505 = **2** _____

(miles per workday) x (office workdays) = (Total office work miles **1**) x (standard mileage rate) = (Total (A) Mileage deduction **2**)

(or x 4*) (* x 4 if you eat lunch at home)

(B) Miles home to **waterfront** = _____ x 2* = _____ (miles per workday "waterfront")

_____ x _____ = **3** _____ x .505 = **4** _____

(miles per workday) x (refit assist days) = (Total refit work miles **3**) x (standard mileage rate) = (Total (B) Mileage deduction **4**)

Transpose the above numbered amounts to the corresponding numbers below.

Total (A) Mileage deduction 2 _____ plus Total (B) Mileage deduction + 4 _____ equals (2 + 4) = 5 <input type="text"/>	Total office work miles 1 _____ plus Total refit work miles + 3 _____ equals (1 + 3) = 6 _____
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Place answer **5** in block 1a of Form 2106-EZ

Place answer in block below by following arrow

Table 1

Mileage Deduction (driven after June 30, 2008)

(* x 4 if you eat lunch at home)

(A) Miles home to **office** = _____ x 2 (or x 4)* = _____ (miles per workday "office")

_____ x _____ = **1** _____ x .585 = **2** _____

(miles per workday) x (office workdays) = (Total office work miles **1**) x (standard mileage rate) = (Total (A) Mileage deduction **2**)

(or x 4*) (* x 4 if you eat lunch at home)

(B) Miles home to **waterfront** = _____ x 2* = _____ (miles per workday "waterfront")

_____ x _____ = **3** _____ x .585 = **4** _____

(miles per workday) x (refit assist days) = (Total refit work miles **3**) x (standard mileage rate) = (Total (B) Mileage deduction **4**)

Transpose the above numbered amounts to the corresponding numbers below.

Total (A) Mileage deduction 2 _____ plus Total (B) Mileage deduction + 4 _____ equals (2 + 4) = 7 <input type="text"/>	Total office work miles 1 _____ plus Total refit work miles + 3 _____ plus + 6 _____ (1 + 3 + 6) = <input type="text"/>
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Place answer **7** in block 1b of Form 2106-EZ

Place answer in block 8a of Form 2106-EZ

Table 2

On Form 2106EZ add blocks 1a (**5**) _____ and 1b (**7**) _____ and place answer on line 1c _____.

Meal Deduction (For the Standard Meal Allowance – see instructions on page 3)

_____ x _____ = ⑤ _____ x .50 =

(Net off-crew days) x (Standard Meal Allowance) = Your "Meals and entertainment expenses" x 50% (.50)

Caution: Use amount on line ⑤ if transposing your answers into a software application. See **Tax Software Caution** on page 3.

Place answer in **block 5** of Form 2106-EZ

Other Deductions

Laundry: \$10.00 per week x _____ ÷ _____ = _____ ①
(net off-crew weeks) ÷ (members in the household) = Laundry Deduction

Principle (homeowners only)
_____ ÷ 365 x _____ ÷ _____ = _____ ②
Annual principle ÷ 365 x (net off-crew days) ÷ (members in the household) = Principle Deduction

Rent (renters only)
_____ ÷ 30 x _____ ÷ _____ = _____ ③
Monthly rent ÷ 30 x (net off-crew days) ÷ (members in the household) = Rent Deduction

Utilities (average per month)
Electric _____ + Water _____ + Sewer _____ + Garbage _____ = _____ ④
(Monthly utility cost)

④ _____ x _____ ÷ _____ = _____ ④
(Monthly utility cost) x (net off-crew months) ÷ (members in the household) = (Utility Deduction)

Transpose the above numbered amounts to the corresponding numbers below.

Total of "Other Deductions" = ① _____ + ② _____ + ③ _____ + ④ _____ =

Place answer in **block 4** of Form 2106-EZ

NOTE: On bottom of Form 2106 write the following or if using tax software just state your occupation as **"Two-Crew Submariner"**:

"Taxpayer is a member of a two-crew nuclear submarine claiming away from tax home expenses. (IRC Rule 67-438, 1967-2, C.B. 82)"

Instructions for FBM Deduction Worksheet

Purpose

The FBM Deduction Worksheet (sometimes called the Boomer Deduction), is specifically designed for sailors on two-crew submarines. Multiple occupations can use IRS Form 2106-EZ for business related expenses but this worksheet is intended for use by United States submariners on two-crew submarines. This worksheet is expected to simplify and standardize the tax preparation required for their unique tax situation. These submariners earn a tax break for when they are forced away from their "tax home" by the opposite crew. (IRS Pub 17, Chapter 23, page 169)

A tax home is defined as your permanent duty station (which can be a ship or base), regardless of where you or your family live (IRS Pub 3 page 12). When one crew goes to sea or has the vessel (refit assist), the other crew is forced away from their tax home and must provide a second home for their lodging. This second home is tax deductible for the sailor, not his family or children. This is the reason many expenses must be divided by the number of people in the household (see "Other Deductions" on page 1 of this worksheet).

Not Applicable: The FBM deduction is not applicable when the ship is in dry dock and shipyards for periods which normally approximate 2 years. Additionally, when there is a combined crew, in which both crews have the vessel, the FBM deduction is not applicable.

What's New

Standard Mileage Rate. For 2008, the standard mileage rate for each mile is 50.5 cents for January 1 – June 30, 2008 and 58.5 cents for July 1 – December 31, 2008.

Standard Meal Allowance. For 2008, the standard meal allowance for this worksheet is derived from IRS Pub 1542. This publication provides exact amounts depending upon the location of the taxpayers "secondary" home. The taxpayers "principle" home is the submarine.

Specific Instructions

Fill in all applicable blocks on page 1. Transpose your answers (in the squares) to the appropriate lines on IRS Form 2106-EZ.

Refit Assist Days. These days are included in your total off-crew days. You are subtracting them from your off-crew office days only because it is usually a longer distance to the refit pier than the off-crew office and your mileage is deductible. During a normal refit period when you have the boat, your mileage to the pier is not deductible because it is commuting to work and commuting is not tax deductible.

Mileage Deduction. The miles from your home to work are multiplied by four to account for eating at home and then returning to work.

Meal Deduction. For determining your **Standard Meal Allowance** use table 3, using the amount listed for the location of your "secondary" home. (When using the Interactive Form, the drop down menu is a listing of standard amounts. You may overwrite the amount by typing in the box.)

Tax Software Caution: If transposing the amounts from this form into tax software (TaxCut/Turbo Tax/etc), be careful with the meal deduction. The software will ask about your meals (tax deductible meals) and is looking for the gross amount spent. My worksheet divides your meals by 50%. But the tax software will also divide the meals by 50% and thus will itemize 25% of your meals. If the software does this, change the amount you entered to the full amount spent on meals (not the worksheet's 50% amount).

\$39.00 Camden County, GA
\$49.00 Glynn County, GA
\$49.00 Duval & Nassau County, FL
\$49.00 City of Jacksonville, FL
\$59.00 Kitsap & Pierce County, WA
\$64.00 King County, WA (Seattle)
Your location not listed? Refer to IRS Publication 1542 or use \$39.00

Table 3 – Standard "secondary" home locations and daily meal allowance.

Other Deductions.

Laundry. The amount \$10.00 is based on a sailor using a coin laundry. Your cost may be different. To standardize to FBM deduction, \$10.00 should be generally used (When using the Interactive Form, the \$10.00 amount is overwritable). Dry cleaning and laundering is deductible per Table 26-1 of IRS Pub. 17. Keep all receipts if you claim more than \$10.00 a week.

Family Members / Roommates. The sailor is the only one being forced away from his tax home. Therefore, if the sailor is married or has roommates, the sailor must divide the expenses by the number of persons not eligible for the deduction. For the Interactive Form, the drop down menu is overwritable. You may overwrite the amount by typing in the box.

Telephone. Generally you cannot deduct the cost of having a telephone in your home. You can receive a discount on your cell phone by informing your cell provider you are active duty in the military and are requesting a discount per the Federal Telecommunications Act of 1996.

Suggestions

If you have suggestions for making this form simpler, I would be happy to hear from you. Select "feedback" on any page of my website (www.FBMdeduction.com).

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