You Can Deduct Clothing and Laundry Expenses—Legally!

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Most of us don’t wear the same thing we wear on the weekend or out to dinner at night as office apparel. Since you’re likely spending extra money to have appropriate clothing to wear to work, it makes sense that you can count it as a business expense. In fact, the IRS allows tax deductions both for the purchase of work clothes and their laundering—as long as you follow the rules.

What Clothing Qualifies

You could be spending several hundred dollars per year on work clothes, plus more for dry cleaning or other laundry expenses. Of course, the IRS isn’t just going to let you buy whatever fancy duds you want and write it off. So, check if your clothes fit into one of these categories before determining whether you qualify:

- The clothing has a business logo or is a uniform, scrubs for example;
- You frequently wash or dry-clean your work clothes at your expense; or
- You are required to wear protective gear or protective equipment for work.

If you already fit one of these requirements, then make sure you’re using this strategy to save on taxes. If not, maybe you should look into purchasing qualifying clothing items. The savings could really add up—even just for the laundry expenses. Not only that, but you’ll extend the life of your non-work clothes by not needing to wash them as often.

Sounds too easy, right? Well, there is a little more to it than that. If you know anything about the IRS, you know that they like to have proof. Here are the rules for making sure the cost of your clothing and its maintenance is deductible:

1. The clothes are either required or essential for the work you do.
2. The clothes are either protective or distinctive.
3. They are not appropriate for wearing outside of work as everyday clothing.

You must provide evidence for all three of these criteria in order to get the deduction[1]. You may need to get a little creative with some of these requirements, but as long as you provide reasonable proof, you can make this deduction work for any type of business. Basically, the IRS wants to see that you are not gaining any personal benefit from the clothing. Let’s take a look at how to meet these criteria.

Required or Essential Clothing
As a business owner, this is a pretty easy requirement to meet. After all, you make the rules on work attire for your company, and that includes what you and your employees wear. No employees? Don’t worry about it. You can still qualify and meet this criterion as a sole proprietor who works alone. In fact, case law offers a few examples of how individuals have qualified:

- A dairy salesman who was self-employed decided to wear a uniform on his routes—green trousers, shirt, and hat, all stitched with the name of his company, “Mortrud Dairy”. His deduction was approved by the court.
- A professional violinist was required to wear formal wear, including sequined gowns, for performances with the Los Angeles Chamber Orchestra and Long Beach Symphony. The court approved her clothing deductions, noting that the clothes were “quite formal” and not “adaptable for general and personal wear.”

**Protective or Distinctive Clothing**

Fortunately, for this requirement you only need to prove one or the other, that your clothing is either protective or distinctive. Protective items include equipment, such as safety gloves, hard hats, or painter’s smocks. Distinctive is a fairly simple case to make. Examples of distinctive attire would be items with a company name or logo, or uniforms that affiliate you with a particular profession, such as scrubs for medical professionals.

So, combine this with the first requirement, and you’ve got a pretty easy solution. Put your logo on the clothing and make it a rule that employees must wear it. When you do these two things, the clothing becomes a work uniform.

If you’re uncertain of whether your apparel counts, look at these two case examples:

- A carpenter attempted to deduct his shoes and work overalls; however, the court ruled that the items were not deductible. The white overalls did not contain a logo and were ordinary work clothes that could be worn outside of work (they did not meet the “distinctive” requirement). The shoes were also deemed ordinary, as opposed to protective shoes.
- In another case, a salesman was able to deduct some, but not all, of his clothing. His employer required a tailor-made cap, jacket, and shirt with the company logo on all three. These items were deemed deductible by the court. However, his socks, shoes, raincoat, and overshoes were not deductible since they were not specifically part of a uniform.

In the case of armed services employees, military uniforms meet these requirements and
are eligible for deduction. The established requirement for military personnel is that you have to be full-time active duty and not allowed to wear the clothes during off hours.[7]

Not Appropriate for Usual Wear

As you’ve probably guessed, this is the hardest requirement to prove. It’s somewhat subjective since you must determine whether the average person would want to wear these clothes outside of the workplace. You have a better chance of proving this requirement to the IRS if the clothes veer further towards unusual or distinct from everyday wear.

Tip: Do not wear your work clothes outside of work activities if you plan to make a clothing deduction. No matter how distinctive they are from ordinary clothes, you will not win the deduction if you wear the clothes for non-work purposes. Of course, it’s okay to wear them while commuting.

Let’s start with an example of a case in which the individual did not meet this requirement:

- A saleswoman for a high-end clothing store was required to buy the store’s clothes and wear them at work. Although she claimed she only wore them to work and nowhere else, the court denied her deductions because the clothes were suitable for wearing every day.[8]
- In another case, a dental office manager had her deductions approved for both the cost of purchasing and laundering her uniforms, which were not considered ordinary clothing.[9]
- A physician was also able to deduct his purchase and laundry costs for scrubs. He was expected to wear them while at the hospital where he worked, and they were not appropriate as ordinary clothes.[10]

On Employee Uniforms

Here’s some good news for employers. After wrapping your head around all these stipulations for deducted clothing expenses, you’ll be happy to know that when you purchase uniforms for your employees, these are always deductible expenses.[11] You have no need to worry about any of the above criteria.

Your employees, however, should still be concerned about the three criteria above, and here’s why. If the uniforms meet all the criteria, your employees get to treat the clothes as a tax-free fringe benefit as part of their working conditions.[12] If, on the other hand, the above rules are not met, then your employees will have to treat the apparel as taxable
compensation[^3].

So, is it worth the expense for you to purchase clothing specifically for your work? It really depends on your situation. If you’ll be spending a significant amount on the maintenance of such clothing (i.e. dry-cleaning or laundry expenses), it may make up for the expense of buying work-only clothes. And, if you’re already wearing clothes devoted exclusively to your business, then make sure you meet the three rules and get the deductions you’re qualified for. You know what they say; dress for success—and deductions!

2. Mortrud v Commr., 44 TC 208. (Self-employed business owner could deduct the cost of his uniform.) ^
5. Jim McNamee, 12 TCM 1131. ^
11. IRC Section 162; Rev. Rul. 72-110. ^
12. IRC Section 132(d). Section 1.132-5(a)(1)(v) ^