

CFO

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TAX BREAKS

Tuition Transition

THANKS TO THE EFFORTS of a dental-supplies salesman, you may now be able to deduct the cost of an MBA degree. Daniel Allemeier won his case against the IRS in August, arguing that the \$15,000—plus he spent on his degree should be tax-deductible because it was a legitimate business expense that expanded his skills. Previously, courts viewed an MBA as either a minimum requirement for a job and thus not tax-deductible, or as a credential that qualifies the holder for a new career or business, in which case ditto on the ixnay.

But Allemeier had been with his employer before earning the degree and stayed with that company afterward, although he did move up the ladder. The ruling caught many experts by surprise, and some say it may pave the way for the tax-deductibility of other degrees, such as those at the undergraduate level. Bill Smith, director of the national tax office at CBIZ Inc., a business-services provider, says that “while the IRS will characterize this decision as a clarification of an existing law, it opens up new possibilities for taxpayers.” But specific circumstances will count for a lot, so consult your tax adviser. —SCOTT LEIBS