

8 Tips for Deducting Moving Expenses

If you move, you may be able to deduct your moving expenses. You may qualify for the deduction if you work as an employee or are self-employed in the new location, regardless of whether you have the work lined up before you move.

TaxAct reports your expenses and deduction on *Form 3903, Moving Expenses*.

Here are some tips for deducting moving expenses:

1. For a move to qualify, you must meet two tests: The distance and time tests.

To meet the distance test, the distance from your old home to your new work place must be at least 50 miles further than the distance from your old home to your old work place.

To meet the time test, you must work as a full-time employee in the new area for at least 39 weeks during the first 12 months after you arrive in the general area. The total weeks can be for more than one employer.

If you are self-employed in the new area, in addition to working at least 39 weeks during the first 12 months, you must also work a total of at least 78 weeks during the first 24 months after arrival. The 78 weeks can be a combination of time worked as an employee and as a self-employed person.

If you are married, only one of you needs to meet the distance and time tests.

You may qualify for an exception to these rules if you lose your job, or in certain other situations. If you are in the Armed Forces, you do not have to meet these two tests if your move is for a permanent change in station, including a move within one year after you retire or leave active duty.

2. You can generally deduct your expenses of moving yourself, your family, and your belongings.

This includes the cost of:

- Professional moving company services
- Do-it-yourself moving trucks or pods
- Gas and oil or the standard moving mileage rate, if you travel by car
- Packing supplies (blankets, tape, boxes)
- Move insurance
- Moving help, for example if you pay someone to help you load and unload the truck
- Travel expenses (but not meals) for one trip each for you and members of your household
- Storage for up to 30 days after goods are moved, before they are delivered to your new home

3. You cannot deduct the cost of meals during your move.

Some other nondeductible expenses include any expenses of buying or renting your home at the new location, and any expenses of breaking your lease or selling your home at the old location.

4. You cannot deduct house-hunting costs if you travel to the new location before you actually move.

You can only deduct the cost of one trip as a moving expense.

5. You can only deduct the cost of lodging at the old place for one day if you had to stay elsewhere because your furniture had been moved.

6. You don't have to itemize your deductions to claim moving expenses.

Moving expenses are an adjustment to income, not an itemized deduction.

In addition, because they reduce your adjusted gross income, moving expenses may also help you qualify for other tax benefits that are limited at higher income levels.

7. You cannot deduct expenses for which your employer reimbursed you, unless your employer included those reimbursements in your income.

Look on your Form W-2, box 12. If there is an amount with a code P, that amount is included in your taxable income. You should take a moving expense deduction to avoid paying tax on your reimbursements. You should also take a moving deduction if your employer included your reimbursement with wages in box 1 of Form W-2.

If there is no code P amount in box 12, and your employer did not include the reimbursements with your wages in box 1, do not take a deduction for your reimbursed moving expenses.

8. Remember to update your address with the IRS, using *Form 8822, Change of Address*.

This is especially important if you're expecting a refund or correspondence from the IRS.