

# *Sy Accountancy Corporation*

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## **MOVING EXPENSES**

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1. **Distance Test:** Your new job location must be at least **50 miles** farther from old your home to new job than from your old home to old job.
2. **Travel:** You can deduct **lodging** expenses for yourself and household members while moving from your former home to your new home. You can also deduct **transportation** expenses, including airfare, vehicle mileage, parking fees and tolls you pay to move (but you can only deduct one trip per person).
3. **Household Goods:** You can deduct the cost of **packing, crating, and transporting** your household goods and personal property. You may be able to include the cost of **storing and insuring** these items while in transit.
4. **Time Test:** You must work full time for at least **39 weeks** during the first 12 months after you arrive in the general area of your new job location, or at least **78 weeks** during the first 24 months if you are self-employed. If your income tax return is due before you've satisfied this requirement, you can still deduct your allowable moving expenses if you **expect to meet** the time test in the following years.
5. **Move Must be Closely Related to Start Of Work:** Generally, you can consider moving expenses incurred **within one year** from the date you first reported to a new location, as closely related in time to the start of work.
6. **Utilities:** You can deduct the costs of **connecting or disconnecting** utilities.
7. **Reimbursed Expenses:** If your employer reimburses you for the cost of the move, the reimbursement may have to be **included on your income tax return**.
8. **Nondeductible Expense:** You cannot deduct any part of the purchase price of your new home, car tags, drivers license, costs of buying or selling a home, expenses of entering into or breaking a lease, security deposits and storage charges except those incurred in transit.
9. **Form 3903:** Use Form 3903 for moving expenses.
10. **Update Your Address:** Update your address with the IRS and the U.S. Postal Service to ensure you receive refunds or correspondence from the IRS. Use Form 8822, Change of Address, to notify the IRS.