

Moving This Summer? Here are 10 Helpful Tax Tips

August 8, 2012

School's out for the summer, and summer is a popular time for people to move - especially families with children. If you are moving to start a new job or even the same job at a new job location, the IRS offers 10 tax tips on expenses you may be able to deduct on your tax return.

1. Expenses must be close to the time you start work Generally, you can consider moving expenses that you incurred within one year of the date you first report to work at a new job location.

2. Distance Test Your move meets the distance test if your new main job location is at least 50 miles farther from your former home than your previous main job location was from your former home. For example, if your old main job location was three miles from your former home, your new main job location must be at least 53 miles from that former home.

3. Time Test Upon arriving in the general area of your new job location, you must work full time for at least 39 weeks during the first year at your new job location. Self-employed individuals must meet this test, and they must also work full time for a total of at least 78 weeks during the first 24 months upon arriving in the general area of their new job location. If your income tax return is due before you have satisfied this requirement, you can still deduct your allowable moving expenses if you expect to meet the time test. There are some special rules and exceptions to these general rules, so see Publication 521, Moving Expenses for more information.

4. Travel You can deduct lodging expenses (but not meals) 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, but you can only deduct one trip per person.

5. Household goods You can deduct the cost of packing, crating and transporting your household goods and personal property, including the cost of shipping household pets. You may be able to include the cost of storing and insuring these items while in transit.

6. Utilities You can deduct the costs of connecting or disconnecting utilities.

7. Nondeductible expenses You cannot deduct as moving expenses: any part of the purchase price of your new home, car tags, a drivers license renewal, costs of buying or selling a home, expenses of entering into or breaking a lease, or security deposits and storage charges, except those incurred in transit and for foreign moves.

8. Form You can deduct only those expenses that are reasonable for the circumstances of your move. To figure the amount of your deduction for moving expenses, use Form 3903, Moving Expenses.

9. Reimbursed expenses If your employer reimburses you for the costs of a move for which you took a deduction, the reimbursement may have to be included as income on your tax return.

10. Update your address When you move, be sure to update your address with the IRS and the U.S. Postal Service to ensure you receive mail from the IRS. Use Form 8822, Change of Address, to notify the IRS.

More details are available in IRS Publication 521 and Form 3903. IRS publications and forms are available on [IRS.gov](https://www.irs.gov) or by calling 800-829-3676.