



IRS Summertime Tax Tip 2016-20: Moving Expenses Can Be Deductible

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IRS Tax Tips

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Moving Expenses Can Be Deductible

Did you move due to a change in your job or business location? If so, you may be able to deduct your moving expenses, except for meals. Here are the top tax tips for moving expenses.

In order to deduct moving expenses, your move must meet three requirements:

1. **The move must closely relate to the start of work.** Generally, you can consider moving expenses within one year of the date you start work at a new job location. Additional rules apply to this requirement.
2. **Your move must meet the distance test.** Your new main job location must be at least 50 miles farther from your old home than your previous job location. For example, if your old job was three miles from your old home, your new job must be at least 53 miles from your old home.
3. **You must meet the time test.** After the move, you must work full-time at your new job for at least 39 weeks in the first year. If you're self-employed, you must meet this test and work full-time for a total of at least 78 weeks during the first two years at your new job site. If your income tax

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return is due before you've met this test, you can still deduct moving expenses if you expect to meet it.

See [Publication 521](#), Moving Expenses, for more information about these rules. It's available on IRS.gov/forms anytime.

If you can claim this deduction, here are a few more tips from the IRS:

- **Travel.** You can deduct transportation and lodging expenses for yourself and household members while moving from your old home to your new home. You cannot deduct your travel meal costs.
- **Household goods and utilities.** You can deduct the cost of packing, crating and shipping your things. You may be able to include the cost of storing and insuring these items while in transit. You can deduct the cost of connecting or disconnecting utilities.
- **Nondeductible expenses.** You cannot deduct as moving expenses any part of the purchase price of your new home, the cost of selling a home or the cost of entering into or breaking a lease. See [Publication 521](#) for a complete list.
- **Reimbursed expenses.** If your employer later pays you for the cost of a move that you deducted on your tax return, you may need to include the payment as income. You report any taxable amount on your tax return in the year you get the payment.
- **Address Change.** When you move, be sure to update your address with the IRS and the U.S. Post Office. To notify the IRS file [Form 8822](#), Change of Address.

Premium Tax Credit – Changes in Circumstances.

If you or anyone in your family purchased health coverage through the Marketplace and had advance payments of the premium tax credit paid in advance to your insurance company to lower your monthly premiums, it is important to report life changes to the Marketplace when they happen. Moving to a new address is one change you should report. Other things to report include changes in your income, employment, family size, and gaining or losing eligibility for other coverage. Reporting life changes as they happen allows the Marketplace to adjust your advance credit payments. This will help you avoid a smaller

refund or unexpectedly owing taxes when you file your tax return.

Additional IRS Resources:

- Publication 5152: Report changes to the Marketplace as they happen [English](#) | [Spanish](#)
- [Can I Deduct My Moving Expenses?](#) – Interactive Tax Assistant tool
- [Tax Topic 455](#) – Moving Expenses
- [Form 3903](#), Moving Expenses

IRS YouTube Videos:

- Moving Expenses – [English](#) | [Spanish](#) | [ASL](#)
- Premium Tax Credit: Changes in Circumstances – [English](#) | [Spanish](#) | [ASL](#)

IRS Podcasts:

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