The Texas A&M University System
Moving Expenses FAQ

1. What tests must be met in order to deduct moving expenses on a personal tax return?

   a. **Distance Test** – In order for expenses to be deductible, your new main job location must be at least 50 miles further from your former home than your old main job location was from your former home.

   b. **Time Test** – In order for expenses to be deductible, 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.

2. What expenses are considered deductible moving expenses?

   a. **Reasonable Expenses** – You can deduct only those expenses that are reasonable for the circumstances of your move. The cost of travelling from your former home to your new one should be by the shortest, most direct route available by conventional transportation. If travelling by car, actual expenses or 10 cents per mile can be deducted as moving expenses. Also moving expenses can be deducted for any member of your household who has both your former and new home as his or her home.

   b. **Household Goods and Personal Effects** –

      1) The cost of packing, crating and transporting your household goods and personal effects from your former home to your new home is deductible.

      2) The cost of storing and insuring household goods and personal effects within any period of 30 consecutive days after the day your things are moved from your former home and before they are delivered to your new home is deductible.

      3) Any costs of connecting or disconnecting utilities required because you are moving household goods and personal effects is deductible.

      4) Costs of shipping an automobile or household pets to a new home is deductible.

      5) The cost of moving household goods and personal effects from a place other than your former home is deductible; however, the deduction is limited to the amount it would have cost to move them from your former home.

   c. **Travel Expenses** – The costs of transportation and lodging for yourself and members of your household while travelling from your former home to your new home will be deductible, including any expenses for the day that you arrive. You can also include any lodging expenses you had in the area of your former home within one day after you could not live in your former home because your furniture had been moved. Only expenses for one trip to your new home for yourself and members of your household will be deductible.
3. What expenses are considered non-deductible moving expenses?
   a. Any part of the purchase price of your new home
   b. Car tags
   c. Driver’s license
   d. Expenses of buying or selling a new home
   e. Expenses of getting or breaking a lease
   f. Home improvements to help sell your home
   g. Loss on the sale of your home
   h. Losses from disposing of memberships in clubs
   i. Meal expenses
   j. Mortgage penalties
   k. Pre-move househunting expenses
   l. Real estate taxes
   m. Refitting of carpets and draperies
   n. Security deposits
   o. Storage charges except those incurred in-transit
   p. Temporary living expenses

4. What will happen if my employer reimburses me for moving expenses?

   Your employer should not include in your wages reimbursements paid under an accountable plan for moving expenses that you (1) could deduct if you had paid or incurred them, and (2) did not deduct in an earlier year. These reimbursements are fringe benefits excludable from your income as qualified moving expense reimbursements and will be reported on box 13 of Form W-2. If your employer reimburses you for both deductible and nondeductible moving expenses, your employer will determine the amount of the reimbursement that is not taxable and not subject to withholding. Any remaining amount will be treated as taxable wages and income tax, social security tax and Medicare tax will be withheld.

5. What rules must be met in order for a reimbursement to be treated as paid under and accountable plan?

   Under an accountable plan, all three of the following rules must be met:

   a) Your expenses must be of the type for which a deduction would be allowed had you paid them yourself.
   b) You must adequately account to your employer for these expenses within a reasonable period of time.
   c) You must return any excess reimbursement or allowance within a reasonable time.