

# Moving Expenses

▶ Attach to Form 1040.

Name(s) shown on Form 1040

Your social security number

**Before you begin**, see the **Distance Test** and **Time Test** in the instructions to make sure you can take this deduction. If you are a member of the armed forces, see the instructions to find out how to complete this form.

<p><b>1</b> Enter the amount you paid for transportation and storage of household goods and personal effects (see instructions) . . . . .</p> <p><b>2</b> Enter the amount you paid for travel and lodging expenses in moving from your old home to your new home. <b>Do not</b> include meals (see instructions) . . . . .</p> <p><b>3</b> Add lines 1 and 2 . . . . .</p> <p><b>4</b> Enter the total amount your employer paid you for the expenses listed on lines 1 and 2 that is <b>not</b> included in the wages box (box 1) of your W-2 form. This amount should be identified with code <b>P</b> in box 13 of your W-2 form . . . . .</p> <p><b>Is line 3 more than line 4?</b></p> <p><b>Yes.</b> Go to line 5.</p> <p><b>No.</b> You <b>cannot</b> deduct your moving expenses. If line 3 is less than line 4, subtract line 3 from line 4 and include the result on the "Wages, salaries, tips, etc." line of Form 1040.</p> <p><b>5</b> Subtract line 4 from line 3. Enter the result here and on the "Moving expenses" line of Form 1040. This is your <b>moving expense deduction</b> . . . . .</p>	<b>1</b>		
	<b>2</b>		
	<b>3</b>		
	<b>4</b>		
	<b>5</b>		

## General Instructions

### A Change To Note

Beginning in 1998, include on lines 1 and 2 of Form 3903 **only** the amounts you actually paid for the expenses listed. Include on those lines the total amount you paid even if your employer reimbursed you for the expenses. Use line 4 to report amounts your employer paid directly to you for the expenses listed on lines 1 and 2 if they are **not** reported to you as wages on Form W-2.

**Do not** include on Form 3903 any amount your employer paid to a third party (such as a moving or storage company). Also, do not include the value of any services your employer provided in kind.

### Purpose of Form

Use Form 3903 to figure your moving expense deduction if:

- You moved to a new principal place of work (workplace) within the United States or its possessions, OR
- You moved to a new workplace outside the United States or its possessions and you are a U.S. citizen or resident alien.

If you qualify to deduct expenses for more than one move, use a separate Form 3903 for each move.

For more details, see **Pub. 521**, Moving Expenses.

## Who May Deduct Moving Expenses

If you moved to a different home because of a change in job location, you may be able to deduct your moving expenses. You may be able to take the deduction whether you are self-employed or an employee. But you must meet certain tests explained next.

### Distance Test

Your new principal workplace must be at least 50 miles farther from your old home than your old workplace was. For example, if your old workplace was 3 miles from your old home, your new workplace must be at least 53 miles from that home. If you did not have an old workplace, your new workplace must be at least 50 miles from

your old home. The distance between the two points is the shortest of the more commonly traveled routes between them.

**TIP:** If you are not sure if you meet the distance test, use the worksheet on this page.

### Time Test

If you are an employee, you must work full time in the general area of your new workplace for at least 39 weeks during the 12 months right after you move. If you are self-employed, you must work full time in the general area of your new workplace for at least 39 weeks during the first 12 months and a total of at least 78 weeks during the 24 months right after you move.

**What If You Do Not Meet the Time Test Before Your Return Is Due?** If you expect to meet the time test, you may deduct

### Distance Test Worksheet (keep a copy for your records)

<b>1.</b> Enter the number of miles from your <b>old home</b> to your <b>new workplace</b> . . . . .	<b>1.</b>	_____ miles
<b>2.</b> Enter the number of miles from your <b>old home</b> to your <b>old workplace</b> . . . . .	<b>2.</b>	_____ miles
<b>3.</b> Subtract line 2 from line 1. If zero or less, enter -0- . . . . .	<b>3.</b>	_____ miles

### Is line 3 at least 50 miles?

**Yes.** You meet this test.

**No.** You do not meet this test. You **cannot** deduct your moving expenses. **Do not** complete Form 3903.

your moving expenses in the year you move. But if you do not meet the time test, you must either:

1. Amend your tax return for the year you claimed the deduction (use **Form 1040X**, Amended U.S. Individual Income Tax Return, to do this), **or**
2. For the year you cannot meet the time test, report as income the amount of your moving expense deduction that reduced your income tax for the year you moved. For more details, see **Time Test** in Pub. 521.

If you do not deduct your moving expenses in the year you move and you later meet the time test, you may take the deduction by filing an amended return for the year you moved. To do this, use Form 1040X.

**Example.** You are an employee who moved to a new workplace in September 1998. Because you expect to meet the 39-week test by the end of 1999, you deduct your moving expenses on your 1998 return. If you do not meet the time test in 1999 and none of the exceptions to the time test (see below) apply, you must either amend your 1998 tax return to figure your tax without the moving expense deduction **or** report as income on your 1999 tax return the portion of your moving expense deduction that reduced your 1998 income tax.

**Exceptions to the Time Test.** The time test does not have to be met if any of the following apply:

- Your job ends because of disability.
- You are transferred for your employer's benefit.
- You are laid off or discharged for a reason other than willful misconduct.
- You meet the requirements (explained later) for retirees or survivors living outside the United States.
- You are filing this form for a decedent.

## Members of the Armed Forces

If you are in the armed forces, you do not have to meet the **distance and time tests** if the move is due to a permanent change of station. A permanent change of station includes a move in connection with and within 1 year of retirement or other termination of active duty.

## How To Complete the Form

**Do not** include on lines 1 and 2 any expenses for moving services that were provided by the government. If you and your spouse and dependents are moved to or from different locations, treat the moves as a single move.

On line 4, enter the total reimbursements and allowances you received from the government in connection with the expenses you claimed on lines 1 and 2. **Do not** include the value of moving services provided by the government. Complete line 5 if applicable.

## Retirees or Survivors Living Outside the United States

If you are a retiree or survivor who moved to a home in the United States or its possessions and you meet the following requirements, you are treated as if you moved to a new workplace located in the United States. You are subject to the distance test.

### Retirees

You may deduct moving expenses for a move to a new home in the United States when you actually retire if both your old principal workplace and your old home were outside the United States.

### Survivors

You may deduct moving expenses for a move to a home in the United States if you are the spouse or dependent of a person whose principal workplace at the time of death was outside the United States. In addition, the expenses must be for a move (1) that begins within 6 months after the decedent's death, and (2) from a former home outside the United States that you lived in with the decedent at the time of death.

## Reimbursements

You may choose to deduct moving expenses in the year you are reimbursed by your employer, even though you paid the expenses in a different year. However, special rules apply. See **How To Report** in Pub. 521.

## Filers of Form 2555

If you file **Form 2555**, Foreign Earned Income, to exclude any of your income or housing costs, report the full amount of your deductible moving expenses on Form 3903 and on Form 1040. Report the part of your moving expenses that is not allowed because it is allocable to the excluded income on the appropriate line of Form 2555. For details on how to figure the part allocable to the excluded income, see **Pub. 54**, Tax Guide for U.S. Citizens and Resident Aliens Abroad.

## Specific Instructions

You may deduct the following expenses you paid to move your family and dependent household members. Do not deduct expenses for employees such as a maid, nanny, or nurse.

**Caution:** See **A Change To Note** on page 1 before you complete lines 1 and 2.

### Line 1

**Moves Within or to the United States or its Possessions.** Enter the amount you paid to pack, crate, and move your household goods and personal effects. You may also include the amount you paid to store and insure household goods and personal effects within any period of 30 days in a row after the items were moved from your old home and before they were delivered to your new home.

**Moves Outside the United States or its Possessions.** Enter the amount you paid to pack, crate, move, store, and insure your household goods and personal effects. Also, include the amount you paid to move your possessions to and from storage and to store them for all or part of the time the new workplace continues to be your principal workplace.

**TIP:** You do not have to complete this form if you moved in an earlier year, you are claiming only storage fees during your absence from the United States, and any amount your employer paid for the storage fees is included in the wages box of your W-2 form. Instead, enter the storage fees on the "Moving expenses" line of Form 1040, and write "Storage" next to the amount.

### Line 2

Enter the amount you paid to travel from your old home to your new home. This includes transportation and lodging on the way. Include costs for the day you arrive. Although not all the members of your household have to travel together or at the same time, you may only include expenses for one trip per person.

If you use your own car(s), you may figure the expenses by using either:

- Actual out-of-pocket expenses for gas and oil, **or**
- Mileage at the rate of 10 cents a mile.

You may add parking fees and tolls to the amount claimed under either method. Keep records to verify your expenses.

**Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Internal Revenue Code section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: **Recordkeeping**, 33 min.; **Learning about the law or the form**, 9 min.; **Preparing the form**, 13 min.; and **Copying, assembling, and sending the form to the IRS**, 14 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the Instructions for Form 1040.

