

Deducting Moving Expenses from Your Federal Taxes

Did you know that in many cases, your moving expenses are deductible from your federal income taxes?

If you moved due to a change in your job or business location, or because you started a new job or business, you may be able to deduct your "reasonable" moving expenses.

To qualify, you must satisfy two tests. First, under the "distance test", your new job must be at least 50 miles farther from your old home than your old job location was from your old home. If you had no previous workplace, your new job must be at least 50 miles from your old home.

The second test is the "time test."

If you are an employee, you must work full-time for at least 39 weeks during the first 12 months right after you arrive in the general area of your new job. If you are self-employed, you must work full-time for at least 39 weeks during the first 12 months, and for a total of at least 78 weeks during the first 24 months, after you arrive in the general area of your new work location. There are exceptions to the time test in case of death, disability and involuntary separation, among other things.

If you are a member of the armed forces and your move was due to a permanent change of station, you do not have to satisfy the distance or time tests.

"Reasonable expenses," according to the IRS, include the cost of packing and transporting your goods and effects, the cost of storage and insurance on these items and the cost of connecting and disconnecting utilities while moving household goods and personal effects. As for traveling to the new home, reasonable expenses are the cost of lodging and transportation from the old house to the new house.

Meals are not deductible as an expense.

Also pre-move house-hunting expenses and entering into or breaking a lease are not deductible. The standard mileage rate for moving expenses for 2010 is 16.5 cents a mile, plus parking fees and tolls.

Moving expenses are figured on [Form 3903 \(PDF\)](#) and deducted as an adjustment to income on [Form 1040 \(PDF\)](#). You cannot deduct any moving expenses that were reimbursed by your employer. For more information, visit [this link](#) at the IRS.