Form **3903**
Department of the Treasury
Internal Revenue Service

Moving Expense Adjustment

▶ **Attach to Form 1040.**

1977

Name(s) as shown on Form 1040

Social security number

(a) What is the distance from your **former** residence to your **new** business location? ..... miles

(b) What is the distance from your **former** residence to your **former** business location? ..... miles

(c) If the distance in (a) is 35 or more miles farther than the distance in (b), complete the rest of this form. If the distance is less than 35 miles, you are not entitled to a moving expense deduction. (See instruction A.) This rule is not applicable to members of the armed forces.

1 Transportation expenses in moving household goods and personal effects				1		
2 Travel, meals, and lodging expenses in moving from former to new residence				2		
3 Pre-move travel, meals, and lodging expenses in searching for a new residence after obtaining employment . . .	3					
4 Temporary living expenses in new location or area during any 30 consecutive days after obtaining employment . .	4					

Instructions

A. Who May Deduct Moving Expenses.—As an employed or a self-employed person, you may deduct reasonable moving expenses paid or incurred during the taxable year in connection with a move you make to a new principal work place.

The deduction is allowable to you only if (a) your change in job location has added at least 35 miles to the distance from your old residence to your work, or (b) if you had no former principal work place, your new principal work place is at least 35 miles from your former residence. (The distance between two points is considered to be the shortest of the more commonly traveled routes between those points.)

Also, the deduction is allowable only if either (a) during the 12 months immediately following your arrival in the general location of your new principal work place you are a full-time employee during at least 39 weeks, or (b) during the 24 months immediately following such arrival you are a full-time employee or self-employed on a full-time basis during at least 78 weeks, of which not less than 39 weeks are during the 12 months following your arrival.

B. The 39 Week/78 Week Test.—Disregard the 39 week/78 week test referred to in instruction A if employment is terminated because of death, disability, involuntary separation (other than for willful misconduct), or transfer for the employer's benefit.

If you have not satisfied the 39 week/78 week test before time for filing your return for the taxable year in which you paid or incurred the moving expenses, but believe you will later satisfy it, you may still deduct those expenses in the year you paid or incurred them.

(Continued on back)

If, however, you have not satisfied the 39 week/78 week test at the close of a subsequent taxable year, you must include an amount equal to the deduction for moving expenses taken in a prior year, in income you report for that subsequent year, unless you file an amended return to eliminate the deduction for the year you claimed it.

C. Deductible Moving Expenses.—

(1) *Expenses Not Subject to a Dollar Limitation, lines 1 and 2.*—These are:

(a) Expenses for moving household goods and personal effects from your former to your new residence, and

(b) Travel expenses (including meals and lodging) from your former to your new residence (not to be confused with other travel expenses, explained below).

(2) *Expenses Subject to a Dollar Limitation, lines 3, 4, 7, and 8.*—These are:

(a) Travel expenses (including meals and lodging), after you obtain employment, from your former residence to the general location of your new principal work place and return, primarily to find a new residence.

(b) Meals and lodging expenses while occupying temporary quarters in the general location of your new principal work place during any 30 consecutive days after you obtain employment, and

(c) Qualified expenses attributable to the sale, purchase, or lease of your residence.

These C(2) expenses cannot exceed $3,000 overall per move, of which the C(2)(a) and (b) expenses cannot exceed $1,500.

If you and your spouse both begin work at new principal work places during the taxable year, consider the two events as one when assigning the dollar limitations in C(2) if, at the end of the taxable year, you have shared the same new residence. If you file separate returns, these expenses are limited to $1,500 overall per move for each of you, and the C(2)(a) and (b) expenses cannot exceed $750 for each of you.

However, if you and your spouse have not shared the same new residence nor made specific plans to do so within a determinable time, consider the events separately. If you file separate returns, these expenses are limited to $3,000 overall per move, and the C(2)(a) and (b) expenses cannot exceed $1,500. If you file a joint return, these expenses are limited to $6,000 overall per move, and the C(2)(a) and (b) expenses cannot exceed $3,000.

D. Reasonable Moving Expenses.—The term "moving expenses" includes only those expenses that are reasonable under the particular move's circumstances. Expenses related to your household members include only those for members who had and have both your former and new residences, respectively, as their principal abodes. (A servant, governess, chauffeur, nurse, or valet is not generally considered to be a member of your household.)

E. Household Goods and Personal Effects.—In your expenses of moving household goods and personal effects from your former to your new residence, include the actual cost of transportation or hauling, packing and crating, in-transit storage, and insurance.

F. Travel Expenses from Former Residence to New Residence.—These include the cost of transportation, meals, and lodging en route (including costs for your arrival date). The deduction for travel expenses from your former to your new residence is allowable for only one trip. However, it is not necessary that you and all members of your household travel together and at the same time. (To compute the cost of transportation if you use your own car, see instruction G, below.)

G. Travel Expenses (after obtaining employment) From Former Residence to General Location of New Principal Work Place and Return, for Purpose of Searching for a New Residence.—Travel expenses are deductible only if (1) you begin the trip to the general location of your new principal work place after you have obtained employment; (2) you return to your former residence after searching for a new residence in the general location of your new principal work place; and (3) your primary purpose in traveling to the general location of the new principal work place is to search for a new residence.

Your deduction for travel expenses for the primary purpose of looking for a new residence is not limited to any number of trips by you and your household members. Moreover, to be deductible, a trip need not result in a lease or purchase of property.

If you use your own automobile for this transportation, you may compute the transportation expenses in either of two ways: (1) actual out-of-pocket expenses (for example, gasoline, oil, repairs); or (2) at a rate of seven cents a mile. If you claim out-of-pocket expenses, keep an adequate record to verify amounts; if you use the seven-cents-a-mile method, attach a schedule to verify the mileage.

H. Meals and Lodging Expenses While Occupying Temporary Quarters.—These are deductible for any 30 consecutive days after you have obtained employment in the general location of your new principal work place.

I. Qualified Expenses Attributable to the Sale, Purchase, or Lease of a Residence.—This term means only those reasonable expenses (such as sales commissions, advertising expenses, attorney's and legal fees, title fees, escrow fees, and State transfer taxes) incident to (a) the sale or exchange of your former residence (not including expenses for work performed on the residence to assist in its sale) which would be taken into account in determining the amount realized on the sale or exchange; (b) your purchase of a new residence which otherwise would be included in (i) the adjusted basis of your new residence, or (ii) the cost of the loan (but not including payments or prepayments of interest); (c) the settlement of an unexpired lease on your former residence; or (d) your acquisition of a lease on your new residence (excluding payments or prepayments of rent).

J. Nondeductible Expenses.—Moving expenses do not include, for example, any loss incurred on the sale, exchange, or other disposition of property; mortgage penalties; cost of refitting rugs or draperies; losses due to the disposal of memberships in clubs; tuition; or similar items.

K. Self-employed Individuals.—A self-employed individual is one who performs personal services as (a) the owner of the entire interest in an unincorporated trade or business, or (b) a partner in a partnership operating a trade or business.

To deduct expenses on lines 3 and 4 as a self-employed person, you have met the condition of having obtained employment if you have made substantial arrangements to commence work.

L. Reimbursements and Allowances.—Include all reimbursements and allowances for moving expenses in income. In general, you will find such reimbursements and allowances included on your Form W–2. However, if there is doubt, check with your employer. Use line 12 for reporting reimbursements and allowances if they are not included elsewhere on Form 1040 or related schedules.

M. No Double Benefits Allowable.—You cannot reduce the amount realized on the sale of your old residence by any expenses which become part of your moving expense deduction on line 7. You cannot increase the basis of your new residence by the amount of any expenses which become part of your moving expense deduction on line 8. If you included in income reimbursements exceeding the amount of expenses you are allowed to deduct, make an appropriate adjustment to the selling price or basis. See Form 2119, Sale or Exchange of Personal Residence, to determine gain to be reported and adjusted basis of new residence.

N. Special Rules for Members of the Armed Forces.—Members of the armed forces are exempt from the 35 mile distance limitation and the 39 week/78 week test for moves pursuant to military orders incident to a permanent change of station.

Deductible moving expenses paid or incurred in excess of the excludible authorized in-kind military assistance and reimbursements are deductible subject to the applicable dollar limitations without reducing the dollar limitations by the amount of any in-kind assistance provided by the military.

Required moves by a member of the military, his or her spouse, or dependents to or from separate locations are treated as one move.

O. Publication 521.—For additional information, you may obtain Publication 521, Tax Information on Moving Expenses, free at Internal Revenue Service offices.

☆ U.S. GOVERNMENT PRINTING OFFICE : 1977—O-235-152