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

Moving Expense Adjustment

▶ Attach to Form 1040.

1978

Name(s) as shown on Form 1040

Your social security number

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

(b) What is the distance from your **former** residence to your **former** job 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 cannot take a deduction for moving expenses. (See instruction A.) This rule does not apply 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 meeting the 39/78 week test, you may deduct reasonable moving expenses paid or incurred during the tax year in connection with a move you made to a new principal work place.

You can deduct moving expenses if your change in job location has added at least 35 miles to the distance from your old residence to your work. You can also deduct moving expenses if you had no former principal place of work, but your new principal place of work is at least 35 miles from your former residence. (The distance between the two points is the shortest of the more commonly traveled routes between those points.)

B. The 39 Week/78 Week Test.—To qualify you must work full time for 39 weeks during the 12 months immediately following your arrival in the general location of your new principal work place. Or you must work or be self-employed for at least 78 weeks (39 weeks of which were during the first 12 months) during the 24 months immediately following such arrival.

You may deduct moving expenses in the year you paid or incurred them even if you have not satisfied the 39 week/78 week test before filing your tax return provided you intend to satisfy it.

If, however, you do not satisfy the 39 week/78 week test at the close of the following tax year, you must include an amount equal to the deduction for moving expenses taken in a prior year in the income you report for that following year. You do not report this amount if you file

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an amended return to eliminate the deduction for the year you claimed it.

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

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 tax year, consider the two events as one when assigning the dollar limitations in C(2) if, at the end of the tax 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, report moving expenses separately. If you file separate returns, limit these expenses to $3,000 overall per move, and the C(2)(a) and (b) expenses cannot exceed $1,500. Limit these expenses to $6,000 overall per move, and the C(2)(a) and (b) expenses cannot exceed $3,000 if you file a joint return.

D. Reasonable Moving Expenses.—Moving expenses include only reasonable amounts you spent for the particular move. Also, expenses related to your household members apply only to those who live in both your former and new residences, respectively, as their principal abodes. (A servant, governess, chauffeur, nurse, or valet is not a member of your household.)

E. Household Goods and Personal Effects.—Include the actual cost of transportation or hauling, packing and crating, in-transit storage, and insurance of your household goods and personal effects.

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) you travel primarily to the general location of the new principal work place 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 Living at Temporary Quarters.—These are deductible for any 30 consecutive days after you get a job in the general area of your new principal work place.

I. Qualified Expenses Attributable to the Sale, Purchase, or Lease of a Residence.—This term means reasonable expenses (such as sales commissions, advertising expenses, attorney's and legal fees, title fees, escrow fees, and State transfer taxes) you spend (a) to sell or exchange your former residence (not including expenses for work performed on the residence to assist in its sale) taken into account in figuring the amount realized on the sale or exchange; (b) to purchase 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) to settle an unexpired lease on your former residence; or (d) to purchase 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 performs personal services as (a) the owner of the entire interest in an unincorporated trade or business, or as (b) a partner in a partnership operating a trade or business.

You can deduct expenses on lines 3 and 4 as a self-employed person, if you meet the condition of having obtained employment by making arrangements to commence work.

L. Reimbursements and Allowances.—Include all reimbursements and allowances for moving expenses in income. In general, Form W–2 includes such reimbursements and allowances. However, check with your employer if you are in doubt. 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 of gain on the sale of your old residence by using moving expense you deducted 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 include such expenses in income because you have not met some condition for the allowance of this deduction, 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 in connection with a permanent change of station.

In figuring the deductible moving expenses, consider only the expenses that you paid or incurred less reimbursements (see instruction L). Do not consider in-kind military assistance.

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

O. Publication 521.—For additional information including how to report moving expenses paid or incurred in one year and reimbursed in another year, please obtain **Publication 521, Tax Information on Moving Expenses,** free at Internal Revenue Service offices.

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