Note: *The draft you are looking for begins on the next page.*

Caution: *DRAFT—NOT FOR FILING*

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Almost every form and publication has a page on IRS.gov with a friendly shortcut. For example, the Form 1040 page is at IRS.gov/Form1040; the Pub. 501 page is at IRS.gov/Pub501; the Form W-4 page is at IRS.gov/W4; and the Schedule A (Form 1040/SR) page is at IRS.gov/ScheduleA. If typing in a link above instead of clicking on it, be sure to type the link into the address bar of your browser, not a Search box.

If you wish, you can submit comments to the IRS about draft or final forms, instructions, or publications at IRS.gov/FormsComments. We cannot respond to all comments due to the high volume we receive and may not be able to consider many suggestions until the subsequent revision of the product.

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2020

Department of the Treasury
Internal Revenue Service

Instructions for Form 3903

Moving Expenses

Section references are to the Internal Revenue Code unless otherwise noted.

DRAFT AS OF September 3, 2020

General Instructions

Future Developments

For the latest information about developments related to Form 3903 and its instructions, such as legislation enacted after they were published, go to *IRS.gov/Form3903*.

What's New

Standard mileage rate. For 2020, the standard mileage rate for using your vehicle to move to a new home is 17 cents a mile.

New checkbox. A new checkbox was added to certify that you meet the requirements to claim moving expenses. See *Specific Instructions*, later, for how to report this deduction.

Reminder

Moving expense deduction eliminated, except for certain Armed Forces members. For tax years beginning after 2017, you can no longer deduct moving expenses unless you are a member of the Armed Forces on active duty and, due to a military order, you move because of a permanent change of station.

Purpose of Form

Use Form 3903 to figure your moving expense deduction if you are a member of the Armed Forces on active duty and, due to a military order, you move because of a permanent change of station.

A permanent change of station includes:

- A move from your home to your first post of active duty,
- A move from one permanent post of duty to another permanent post of duty, and
- A move from your last post of duty to your home or to a nearer point in the United States. The move must occur within 1 year of ending your active duty or within the period allowed under the Joint Travel Regulations.

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

Spouse and dependents. If you are the spouse or dependent of a member of the Armed Forces who deserts, is imprisoned, or dies, a permanent change of station for you includes a move to:

- The member's place of enlistment or induction;
- Your, or the member's, home of record; or
- A nearer point in the United States.

If the military moves you to or from separate locations, the moves are treated as a single move to your new main job location.

Services or reimbursements provided by government. Don't include in income the value of moving and storage services provided by the government because of a permanent change of station. Similarly, don't include in income amounts received as a dislocation allowance, temporary lodging expense, temporary lodging allowance, or move-in housing allowance.

Generally, if the total reimbursements or allowances that you receive from the government because of the move are more than your actual moving expenses, the government must include the excess in your wages on Form W-2. However, if any reimbursements or allowances (other than dislocation allowances, temporary lodging expenses, temporary lodging allowances, or move-in housing allowances) exceed the cost of moving and the excess isn't included in your wages on Form W-2, the excess still must be included in gross income on Form 1040 or 1040-SR, line 1, or Form 1040-NR, line 1a.

If your reimbursements or allowances are less than your actual moving expenses, don't include the reimbursements or allowances in income. You can deduct the expenses that are more than your reimbursements in the year you paid or incurred the expenses.

If you must relocate and your spouse and dependents move to or from a different location, don't include in income reimbursements, allowances, or the value of moving and storage services provided by the government to move you and your spouse and dependents to and from the separate locations.

Estimated tax. If you must make estimated tax payments, you need to take into account any taxable reimbursements and deductible moving expenses in figuring your estimated tax. For details about estimated taxes, see Pub. 505, Tax Withholding and Estimated Tax.

Which Moving Expenses Are Deductible and Which Aren't

How much of my moving expenses can I deduct? If you move because of a permanent change of station, you can deduct the reasonable unreimbursed expenses of moving you and members of your household. See *Specific Instructions*, later, for how to report this deduction.

A member of your household is anyone who has both your former home and your new home as his or her main home. It doesn't include a tenant or employee unless you can claim that person as a dependent on your tax return.

Which moving expenses can I deduct? You can deduct expenses (if not reimbursed or furnished in kind) for:

- Moving household goods and personal effects, and
- Travel.

Moving household goods and personal effects. You can deduct the expenses of moving your household goods and personal effects, including expenses for hauling a trailer, packing, crating, in-transit storage, and insurance. You can't deduct expenses for moving furniture or other goods you bought on the way from your old home to your new home.

Storing and insuring household goods and personal effects. You can include only the cost of storing and insuring your household goods and personal effects within any period of 30 consecutive days after the day these goods and effects are moved from your former home and before they are delivered to your new home.

Travel. You can deduct the expenses of traveling (including lodging within certain limitations, but not meals) from your old home to your new home, including car expenses and air fare. You can deduct as car expenses either:

- Your actual out-of-pocket expenses such as the amount you pay for gas and oil for your car, if you keep an accurate record of each expense; or
- The standard mileage rate of 17 cents a mile.

You can add parking fees and tolls to the amount claimed under either method. You can't deduct any part of general repairs, general maintenance, insurance, or depreciation for your car. You can't deduct any expenses for meals. You can't deduct the cost of unnecessary side trips or lavish and extravagant lodging.

Moving services and allowances provided by the government. Don't deduct any expenses for moving services that were provided by the government. Also, don't deduct any expenses that were reimbursed by an allowance you didn't include in income.

Nondeductible expenses. You can't deduct the following items as moving expenses.

- Any part of the purchase price of your new home.
- Car tags.
- Driver's license.
- Expenses of buying or selling a home (including closing costs, mortgage fees, and points).
- Expenses of entering into or breaking a lease.
- Home improvements to help sell your home.
- Loss on the sale of your home.
- Losses from disposing of memberships in clubs.
- Mortgage penalties.
- Real estate taxes.
- Refitting of carpet and draperies.
- Return trips to your former residence.
- Security deposits (including any given up due to the move).
- Storage charges except those incurred in transit and for foreign moves.

DRAFT AS OF September 3, 2020

Foreign Moves

A foreign move is a move from the United States or its possessions to a foreign country or from one foreign country to another foreign country. A move from a foreign country to the United States or its possessions isn't a foreign move. For a foreign move, the deductible moving expenses described earlier are expanded to include the reasonable expenses of the following.

- Moving your household goods and personal effects to and from storage.
- Storing these items for part or all of the time the new job location remains your main job location. The new job location must be outside the United States.

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 or 1040-SR. 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 can deduct moving expenses only if you are a member of the Armed Forces on active duty and, due to a military order, you, your spouse, or your dependents move because of a permanent change of station.

You can 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 *Check the box to certify that you meet the requirements to claim moving expenses.*

If the military moves you, your spouse, and dependents to or from different locations, treat these moves as a single move.

CAUTION *Don't deduct any expenses for moving or storage services provided by the government.*

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 can 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 personal effects to and from storage and to store them for all or part of the time the new workplace continues to be your principal workplace.

Storage fees. Do not file Form 3903 if all of the following apply.

- You moved in an earlier year.
- You are claiming only storage fees during your absence from the United States.
- Any amount the government paid for the storage fees is included in box 1 of your Form W-2 (wages).

Instead, enter the storage fees on Schedule 1 (Form 1040), line 13, and write “Storage” on the dotted line next to line 13.

Complete line 1 of the form using your actual expenses. Don't include any expenses for moving services provided by the government. Also, don't include any expenses that were reimbursed by an allowance you don't have to include in your income.

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. The members of your household do not have to travel together or at the same time. But you can only include expenses for one trip per person. Do not include any house hunting expenses.

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

- Actual out-of-pocket expenses for gas and oil, or
- Mileage at the rate of 17 cents a mile.

You can add parking fees and tolls to the amount claimed under either method.

Complete line 2 of the form using your actual expenses. Don't include any expenses for moving services provided by the government. Also, don't include any expenses that were reimbursed by an allowance you don't have to include in your income.

Line 4

Enter the total reimbursements and allowances you received from the government for the expenses you claimed on lines 1 and 2. Do not include the value of moving or storage services provided by the government. Also, don't include any part of a dislocation allowance, a temporary lodging allowance, a temporary lodging expense, or a move-in housing allowance. This excluded amount should be identified on Form W-2, box 12, with code P.

Line 5

If line 3 is more than line 4, subtract line 4 from line 3, and enter the result on line 5 and on Schedule 1 (Form 1040), line 13. This is your moving expense deduction. If line 3 is equal to or less than line 4, you don't have a moving expense deduction. Subtract line 3 from line 4 and, if the result is more than zero, enter it on Form 1040 or 1040-SR, line 1, or Form 1040-NR, line 1a.