

# Moving Expense Adjustment

**1972**

- ▶ See instructions on back.
- ▶ Attach to Form 1040.

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  
**Note:** The moving expense deduction is not allowed unless distance (a) is 50 or more miles farther than distance (b). (See instruction A.)

<p><b>1</b> Transportation expenses to move household goods and personal effects . . . . .</p> <p><b>2</b> Travel, meals, and lodging expenses to move from former residence to new place of residence . . . . .</p> <p><b>3</b> Pre-move travel, meals, and lodging expenses to search for a new residence after obtaining employment . . . . .</p> <p><b>4</b> Temporary living expenses in new location (or area) during any period of 30 consecutive days after obtaining employment . . . . .</p> <p><b>5</b> Total (Add lines 3 and 4.) . . . . .</p> <p><b>6</b> Expenses incident to: (Check one.)                  (a) <input type="checkbox"/> sale or exchange of taxpayer's former residence; or,                  (b) <input type="checkbox"/> if nonowner, settlement of an unexpired lease on former residence . . . . .</p> <p><b>7</b> Expenses incident to: (Check one.)                  (a) <input type="checkbox"/> purchase of a new residence; or,                  (b) <input type="checkbox"/> if renting, acquiring a new lease . . . . .</p> <p><b>8</b> Total (Add lines 6 and 7.) . . . . .</p> <p><b>9</b> Add lines 5 and 8 . . . . .</p> <p><b>10</b> The amount on line 9 is subject to an overall per move limitation of \$2,500 (\$1,250 if married, filing a separate return and you resided with your wife (husband) who also started to work during the taxable year). of which the amount on line 5 cannot exceed \$1,000 (\$500 if married, filing a separate return and you resided with your wife (husband) who also started to work during the taxable year).                  (a) Enter lesser of (i) the amount on line 5 (or the portion of it you choose to include in the "limitation"); or (ii) \$1,000 (\$500 if married, filing a separate return and you resided with your wife (husband) who also started to work during the taxable year). (See instruction C.) . . . . .                  (b) Enter lesser of (i) the amount on line 8 (or the portion of it you choose to include in the "limitation"); or (ii) \$2,500 (\$1,250 if married, filing a separate return and you resided with your wife (husband) who also started to work during the taxable year) less the amount claimed on line 10(a) . . . . .</p> <p><b>11</b> Total moving expenses (Add lines 1, 2, 10(a) and 10(b).) . . . . .</p> <p><b>12</b> Reimbursements and allowances received for this move (other than amounts included on Form W-2) (See instruction L.) . . . . .</p> <p><b>13</b> If line 12 is less than line 11, enter the excess expenses here and on line 47, Form 1040 . . . . .</p> <p><b>14</b> If line 12 is larger than line 11, enter the excess reimbursements and allowances here and on Form 1040, line 44, as "Excess moving reimbursement" . . . . .</p>	
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## Instructions

**A. Who May Deduct Moving Expenses.**—An employee or self-employed individual may deduct reasonable moving expenses paid or incurred during the taxable year in connection with his move to a new principal place of work.  
 The deduction is allowed only if (a) the change in job locations has added at

least 50 miles to the distance to work from the old residence, or (b) if there was no former principal place of work, the new principal place of work is at least 50 miles from the former residence. The distance between two points shall be the shortest of the more commonly traveled routes between the two points.

Also, the deduction is allowed only if either (a) during the 12-month period immediately following arrival in the general location of the new principal place of work the taxpayer is a full-time employee during at least 39 weeks, or (b) during the 24-month period immediately following arrival in the general location

(Continued on back)

of the new principal place of work, the taxpayer is a full-time employee or is self-employed on a full-time basis during at least 78 weeks of which not less than 39 weeks are during the 12-month period following arrival.

**B. The 39 Week/78 Week Test.**—The 39 week/78 week test referred to in Instruction A may be disregarded if it is terminated because of death, disability, involuntary separation from employment (other than for willful misconduct) or transfer for the benefit of an employer.

If the 39 week/78 week test has not been satisfied before the time for filing the return for the taxable year in which moving expenses were paid or incurred, but will later be satisfied, moving expenses may still be deducted in the year when paid or incurred.

If, however, the 39 week/78 week test is not satisfied at the close of a later taxable year, then an amount equal to the deduction for moving expenses taken in the prior year shall be included in income for the first such later taxable year; unless, an amended return is filed for the year in which the deduction is eliminated.

**C. Deductible Moving Expenses.**—

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

(a) Expenses for the movement of household goods and personal effects from the former residence to the new residence, and

(b) Traveling expenses (including meals and lodging) from the former residence to the new place of residence (not to be confused with other traveling expenses, explained below).

(2) *Expenses Subject to a Dollar Limitation, lines 3, 4, 6, and 7.*—These types of expenses are as follows:

(a) Traveling expenses (including meals and lodging) after obtaining employment, from the former residence to the general location of the new principal place of work and return, for the primary purpose of finding a new residence,

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

(c) Qualified expenses attributable to the sale, purchase, or lease of a residence. These types of expenses are subject to an overall per move limitation of \$2,500, of which the expenses described in C2(a) and C2(b) cannot exceed \$1,000. If expenses described in C2 total more than \$2,500, you should allocate as much of the C2(a) and C2(b) expenses (line 10(a)) to your per move limitation as possible. The reason for this is that unused C2(c) expenses can be used to reduce the realized gain on the sale of your residence or to increase the basis of your new residence or both. If you do not use the C2(a) and C2(b) expenses as a moving expense deduction, you cannot deduct them.

In the case of a taxpayer and his (her) wife (husband) who both commence work at new principal places of work during the taxable year, the two commencements will be considered a single commencement of work, for purposes of assigning the dollar limitations in C(2), if as of the

close of the taxable year, they have shared the same new residence. If they file separate returns, these types of expenses are subject to an overall per move limitation of \$1,250, of which the expenses described in C(2)(a) and C(2)(b) cannot exceed \$500. However, if the taxpayer and his (her) wife (husband) have not shared the same new residence nor made specific plans to share the same new residence within a determinable time, the separate commencements of work will be considered separately. If they file separate returns, these types of expenses are subject to an overall per move limitation of \$2,500, of which the expenses described in C(2)(a) and C(2)(b) cannot exceed \$1,000. If they file a joint return, these types of expenses are subject to an overall per move limitation of \$5,000, of which the expense described in C(2)(a) and C(2)(b) cannot exceed \$2,000.

**D. "Reasonableness" of Moving Expenses.**—The term "moving expenses" includes only those expenses that are reasonable under the circumstances of the particular move. Expenses related to members of the taxpayer's household include only those expenses for members who have both the taxpayer's former residence and his new residence as their principal place of abode. Members of the taxpayer's household generally do not include, for example, a servant, governess, chauffeur, nurse, valet, etc.

**E. Household Goods and Personal Effects.**—Expenses of moving household goods and personal effects from the taxpayer's former residence to his new residence include the actual cost of transportation or hauling, packing and crating, in-transit storage, and insurance.

**F. Traveling Expenses from the Taxpayer's Former Residence to His New Residence.**—These include the cost of transportation, meals, and lodging (including costs for the date of arrival). The deduction for traveling expenses from the taxpayer's former residence to his new residence is allowable for only one trip. However, it is not necessary that the taxpayer and all members of his household travel together or at the same time. To compute the cost of transportation in cases where the taxpayer uses his own car, see Instruction G below.

**G. Traveling Expenses, after Obtaining Employment, from the Former Residence to the General Location of the New Principal Place of Work, and Return, for the Principal Purpose of Searching for a New Residence.**—Traveling expenses are deductible only if (1) the trip is begun after the taxpayer has obtained employment in the general location of the new principal place of work; (2) the taxpayer returns to his former residence after searching for a new residence in the general location of the new principal place of work; and (3) the taxpayer's principal purpose in traveling to the general location of the new principal place of work is to search for a new residence.

If a taxpayer uses his own automobile for this transportation, he can compute the transportation expenses in either of two ways: (1) Actual out-of-pocket expenses. For example, gasoline, oil, re-

pairs, etc. Or (2) at a rate of six cents a mile. If out-of-pocket expenses are claimed, an adequate record must be kept to verify amounts. If the optional method of six cents a mile is used, attach a schedule verifying the mileage.

**H. Expenses of Meals and Lodging while Occupying Temporary Quarters.**—These are deductible for any 30 consecutive days after the taxpayer has obtained employment in the general location of the new principal place of work.

**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 and legal fees, title fees, escrow fees, and State transfer taxes) incident to (a) the sale or exchange of the 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) the purchase of a new residence which otherwise would be included in (i) the adjusted basis of the 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 property used as a former residence; or (d) the acquisition of a lease on property which will become the 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, and similar items.

**K. Self-employed Individuals.**—A self-employed individual is defined as 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 carrying on a trade or business.

For expenses to be deducted on lines 3 and 4 by a self-employed person, the condition of having obtained employment is met when substantial arrangements have been made to commence work.

**L. Reimbursements and Allowances.**—All reimbursements and allowances for moving expenses must be included in income. In general, an employee will find such reimbursements and allowances included in his Form W-2. However, if there is doubt, he should check with his employer. Line 12 is provided for the reporting of reimbursements and allowances if such items are not included elsewhere on Form 1040 or related schedules.

**M. No Double Benefits.**—The amount realized on the sale of the old residence shall not be reduced by any expenses included in line 6, and the basis of the new residence shall not be increased by the amount of any expenses included in line 7. If such expenses are included in income because some condition for the allowance of this deduction has not been met, an appropriate adjustment to the selling price and/or basis may be made.