



Instructions for Form 3903

Moving Expenses

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

| | |
|---|---------------|
| Recordkeeping | 1 hr., 5 min. |
| Learning about the law or the form | 7 min. |
| Preparing the form | 31 min. |
| Copying, assembling, and sending the form to the IRS | 20 min. |

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to both the IRS and the Office of Management and Budget at the addresses listed in the Instructions for Form 1040.

Purpose of Form

Use Form 3903 if you moved to a new principal workplace within the United States or its possessions and you qualify to deduct your moving expenses.

Note: Use **Form 3903F, Foreign Moving Expenses**, instead of this form if you are a U.S. citizen or resident alien who moved to a new principal workplace outside the United States or its possessions.

Additional Information

For more information about moving expenses, please get **Pub. 521, Moving Expenses**.

Who May Deduct

If you moved to a different home because of a change in the location of your job, you may be able to deduct your moving expenses. You may qualify for a deduction whether you are self-employed or an employee. However, you must meet certain tests explained below.

Distance Test.—Your new principal place of work (workplace) must be at least 35 miles farther from your old

home than your old workplace was. For example, if your old workplace was 3 miles from your old home, your new workplace must be at least 38 miles from that home. If you did not have an old workplace, your new workplace must be at least 35 miles from your old home. The distance between two points is the shortest of the more commonly traveled routes between the points.

Time Test.—If you are an employee, you must work full time in the general area of your new workplace for at least 39 weeks during the 12 months right after you move. If you are self-employed, you must work full time in the general area of your new workplace for at least 39 weeks during the first 12 months and a total of at least 78 weeks during the 24 months right after you move.

You may deduct your moving expenses for 1991 even if you have not met the time test before your 1991 return is due. You may do this if you expect to meet the 39-week test by the end of 1992 or the 78-week test by the end of 1993. If you have not met the test by then, you will have to do one of the following:

- Amend your 1991 tax return on which you deducted moving expenses. To do this, use **Form 1040X, Amended U.S. Individual Income Tax Return**; or
- In the year you cannot meet the test, report as income on your tax return the amount of your 1991 moving expense deduction that reduced your 1991 income tax. For more information, see **Time Test** in Pub. 521.

If you do not deduct your moving expenses on your 1991 return and you later meet the time test, you may take the deduction by filing an amended return for 1991. To do this, use Form 1040X.

Exceptions to the Distance and Time Tests.—You do not have to meet the time test in case of death, if your job ends because of disability, if you are transferred for your employer's benefit, or if you are laid off or discharged for a reason other than willful misconduct.

You do not have to meet the time test if you meet the requirements for retirees or survivors living outside the United States, as explained on this page.

If you are in the armed forces, you do not have to meet the distance and time tests if the move is due to a permanent change of station. A permanent change

of station includes a move in connection with and within 1 year of retirement or other termination of active duty. In figuring your moving expenses, do not deduct any moving expenses for moving services that were provided by the military or that were reimbursed to you and that you did not include in income. However, you may deduct your unreimbursed moving expenses subject to the dollar limits. If you and your spouse and dependents are moved to or from different locations, treat the moves as a single move.

Qualified Retirees or Survivors Living Outside the United States

If you are a retiree or survivor who moved to a U.S. home and you meet the requirements below, you are treated as if you moved to a new workplace located in the United States. You are subject to the distance test and other limitations explained on Form 3903. Use this form instead of Form 3903F to claim your moving expenses.

Retirees.—You may deduct moving expenses for a move to a new home in the United States when you actually retire if both your old principal workplace and your old home were outside the United States.

Survivors.—You may deduct moving expenses for a move to a home in the United States if you are the spouse or dependent of a person whose principal workplace at the time of death was outside the United States. In addition, the expenses must be (1) for a move that begins within 6 months after the decedent's death, and (2) must be from a former home outside the United States that you lived in with the decedent at the time of death.

Moving Expenses in General

You may deduct most of the reasonable expenses you incur in moving your family and dependent household members. These include your costs to move to the new location (Part I, Sections A and B), pre-move househunting expenses and expenses of temporary quarters once you arrive in the new location (Section C), and certain qualified real estate expenses (Section D).

You MAY NOT deduct expenses of a loss on the sale of your home, mortgage penalties, refitting draperies and carpets, or canceling club memberships. Nor can you deduct expenses for employees such as a servant, governess, or nurse.

Reimbursements

You must include in gross income as compensation for services any reimbursement of, or payment for, moving expenses. If your employer paid for any part of your move, you must report that amount as income on **Form 1040, line 7**. Your employer should include the amount paid in your total income on Form W-2. However, if you are not sure that the reimbursements have been included in your Form W-2, check with your employer. Your employer must give you a statement showing a detailed breakdown of reimbursements or payments for moving expenses. Your employer may use **Form 4782, Employee Moving Expense Information**, or his or her own form.

You may choose to deduct moving expenses in the year you are reimbursed by your employer, even though you paid for the moving expenses in a different year. However, special rules apply. See **How To Report** in Pub. 521.

Meal Expenses

Only 80% of your meal expenses are deductible. This limit is figured on line 7 in Section B and on line 12 in Section C.

No Double Benefit

You may not take double benefits. For example, you may not use the moving expenses on line 14 that are part of your moving expense deduction to lower the amount of gain on the sale of your old home. In addition, you may not use the moving expenses on line 15 that are part of your moving expense deduction to add to the cost of your new home. Use **Form 2119, Sale of Your Home**, to figure the gain, if any, you must report on the sale of your old home and the adjusted cost of the new one.

Part I Instructions

Section A.—Enter on line 4 the actual cost to pack, crate, move, store in

transit, and insure your household goods and personal effects.

Section B.—Enter the costs of travel from your old home to your new home. These include transportation, meals, and lodging on the way. Include costs for the day you arrive. *Show your meal expenses separately on line 6.* Although not all the members of your household have to travel together or at the same time, you may only include expenses for one trip per person.

If you use your own car, you may figure the expenses in either of the following two ways:

- Actual out-of-pocket expenses for gas and oil (keep records to verify the amounts), or
- At the rate of 9 cents a mile (keep records to verify your mileage).

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

Section C.—Include the costs of travel to look for a new home before you move and temporary quarters expenses after you move. Report pre-move househunting travel and lodging on line 9, temporary quarters expenses on line 10, and the combined cost of meals on line 11.

Pre-move househunting expenses are deductible only if:

- You took the trip after you got the job, **and**
- You returned to your old home after looking for a new one, **and**
- You traveled to the new work area primarily to look for a new home.

There is no limit on the number of househunting trips you may take and you do not have to be successful to qualify for this deduction. If you used your own car, figure transportation costs the same way as you did in Section B. If you are self-employed, you may deduct househunting costs only if you had already made substantial arrangements to begin work in the new location.

You may deduct the cost of meals and lodging while occupying temporary quarters in the area of your new workplace. You may include the costs for any period of 30 days in a row after you get the job, but before you move into permanent quarters. If you are self-employed, you may count these

expenses only if you had already made substantial arrangements to begin work in the new location.

Section D.—You may include most of the costs to sell or buy a home or to settle or get a lease. Examples of qualified real estate expenses you MAY include are:

- Sales commissions;
- Advertising costs,
- Attorney's fees,
- Title and escrow fees,
- State transfer taxes, and
- Costs to settle an unexpired lease or to get a new lease.

Examples of expenses you MAY NOT include are:

- Costs to improve your home to help it sell,
- Charges for payment or prepayment of interest, and
- Payments or prepayments of rent.

Check the appropriate box, **a** or **b**, on lines 14 and 15 when you enter the amounts for these two lines.

Part II Instructions

If both you and your spouse began work at new workplaces and shared the same new home at the end of 1991, you must treat this as one move rather than two. If you file separate returns, each of you is limited to a total of \$750 on line 16, and to a total of \$1,500 on line 18.

If both you and your spouse began work at new workplaces but each of you moved to separate new homes, this is treated as two separate moves. If you file a joint return, line 16 is limited to a total of \$3,000; and line 18 is limited to a total of \$6,000. If you file separate returns, each of you is limited to a total of \$1,500 on line 16; and a total of \$3,000 on line 18.

Note: If you checked box **a** on **line 14**, any amount on line 14 that you cannot deduct because of the dollar limit should be used on Form 2119 to decrease the gain on the sale of your old home. If you checked box **a** on **line 15**, use any amount on line 15 that you cannot deduct because of the limit to increase the basis of your new home.