

**From the desk of  
Peter S. Muffoletto, C.P.A.**

# Moving Expense

The cost of moving your home maybe deductible for tax purposes if you are doing so to start a new job, or to work at the same job in a new location.

In order to deduct your moving expenses, your move must meet three requirements:

## **Your move must closely relate to the start of work**

In most cases, you can consider moving expenses within one year of the date you start work at a new job location.

## **Your move must be at least 50 miles from your old home**

Your new main job location must be at least 50 miles farther from your old home than your prior job location. As an example, if your old job was three miles from your old home your new job must be at least 53 miles from your old home.

## **You must meet the time test**

You must work full-time at your new job for at least 39 weeks the first year after the move.

If you're self-employed, you must also meet this test.

You must work full-time for a total of at least 78 weeks during the first two years at the new job site.

If your tax return is due before you meet the time test, you can still claim the deduction if you expect to meet it.

If you qualify for the deduction is as follows:

- **Travel**

You can deduct certain transportation and lodging expenses while moving. This applies to costs for yourself and other household members while moving from your old home to your new home.

You may not deduct your travel meal costs.

- **Household goods and utilities**

You can deduct the cost of packing, crating and shipping your property.

This includes the cost to store or insure the items while in transit.

You can deduct the cost to disconnect or connect utilities at your old and new homes.

- **Expenses you cannot deduct**

You may not deduct:

- Any part of the purchase price of your new home.
- The cost of selling your home.
- The cost of breaking or entering into a lease.

- **Reimbursed expenses**

If your employer pays you for the cost of a move that you cannot deduct any expenses relating to the move unless your employer included the reimbursement in your W2.

If you are later reimbursed for moving expenses you previously deducted on your tax return, you will need to include the payment as income.

You must report any taxable amount on your tax return in the year you receive the payment.

- **Address change**

When you move, be sure to update your address with the IRS and the U.S. Post Office.

To notify the IRS, file [Form 8822](#), Change of Address.

## **Premium Tax Credit – Changes in Circumstances**

If you purchased health insurance coverage under the Affordable Care Act, (Obamacare), you may have received advance payments relating to the **Premium Tax Credit**.

You are required to report changes in circumstances under Obamacare such as when you move to a new address.

Other changes that you should report include changes in your income, employment, family size, or eligibility for other coverage.

Remember, your government is there to help and assist you,  
and to do so they want to know where you are.

Henry Ford once said that if you truly believe that, look to the American Indian, and what we did for them.

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Our emphasis at Muffoletto & Company is to provide you the proper guidance and understanding of the system so that you avoid taxes to the extent that the law allows.

Should you have questions relating to these matters, tax, financial, and accounting issues, give us a call at (818) 346-2160.

You can also visit us on the web at [www.petemcpa.com](http://www.petemcpa.com)!

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**We here at Muffoletto & Company believe that the more informed you are in regards to the rules and regulations that affect you the more we can be of service.**

**Should you have questions relating to any tax or financial matters, or if you know of someone that could benefit from our assistance feel free in calling us at (818) 346-2160, or you can visit us on the web at [www.petemcpa.com](http://www.petemcpa.com)!**

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