

On the Move

Americans move around a lot. We change houses. And we change jobs. Fortunately, the IRS is willing to help us out a bit if we move because of a job change or transfer. Under the tax law, an employee or self-employed individual is allowed to deduct certain costs of moving to a new home if the move is a result of a change in the individual's principal place of work and if certain tests are met.

The Distance Test

In order to qualify for the deduction, the taxpayer has to pass a "50-mile test." That is, the distance between the new primary job site and the individual's former home has to be at least 50 miles longer than the taxpayer's prior commuting distance.

The Time Test

One of two time tests must be met to qualify for the expense deduction. The "39-week test" requires that an employee be employed full-time in the general location of the new place of work for at least 39 weeks during the 12 months immediately following the employee's move to the new locale. The alternative "78-week test" can be applied to an employee or a self-employed individual. The individual must work full-time for at least 78 weeks during the 24-month period immediately following the move to the new location, with 39 of those weeks being in the first 12 months.

What Is Deductible?

The moving expense deduction is taken "above the line," so taxpayers who don't itemize can still claim the deduction. There are numerous limits on what can be deducted, however. Basically, the costs of moving household goods and personal effects, along with the cost of travel from the old home to the new home, are deductible (though meals are *not* included). ■