

Tax Status of Moving Expense Payments Homeowner

Item	Amount Deductible
Shipment of household goods, including disconnecting and connecting appliances.	All reasonable expenses –no dollar limit. Not taxed.
Disconnecting and connecting utilities.	Not deductible. Taxable.
Travel expenses to new location.	All reasonable expenses except meals – no dollar limit. Not taxed. (Exception: meals and mileage reimbursement in excess of IRS standard allowance are taxable)
Pre-move apartment or house-hunting trip.	Not deductible. Taxable.
Temporary living expenses at new location for up to 30 days.	Not deductible. Taxable.
Expenses to break and acquire lease or rental accommodations, including lease cancellation fee. (Must not be prepayment of rent or security deposit.)	Not deductible. Taxable.
Expenses relating to sale of old house such as: <ul style="list-style-type: none">• Home sale consulting program fees (paid to relocation company)• Appraisals (including those ordered by relocation company)• Real estate commission• Attorney fees, title fees, escrow fees (for services)• State transfer fees• Advertising fees• Closing services fees (paid to relocation company)	Not deductible. Taxable.

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Item	Amount Deductible
Expenses relating to purchase of new home such as: <ul style="list-style-type: none">• Appraisal or broker's price opinion• Escrow fees (for services)• Title costs• Loan placement charges and points required for conventional mortgage and not considered interest.	Not deductible. Taxable.
Return visits	Not deductible. Taxable.
Relocation allowance	Not deductible. Taxable.
Bonus program	Not deductible. Taxable.
Duplicate housing	Not deductible. Taxable.

To qualify for the deductions, the distance from the employee's new work location to the former residence must be at least 50 miles greater than the distance from the old work location to the former residence. In addition, the employee must be full time at the new location for at least 39 weeks unless terminated because of death, disability, involuntary separation, or transfer for the benefit of the employer.