

Tax Withholding Requirements for Relocation Reimbursements

Home Finding		Taxable
Transportation		Yes
Lodging		Yes
Meals		Yes
Temporary Living		
Lodging		Yes
Meals		Yes
Shipment & Storage Household Goods		
Transit of Household Goods		No
Storage in Transit First 30 Days		No
Storage Each Additional 30 Days		Yes
Travel To & From Old Location		
Trip to Start Work		Yes
Return Trip(s)		Yes
Final Move		
Meals		Yes
Transportation		Yes
Lodging		No- Lodging for hotel stays needed in route to new location on most direct route (one night per stop and an average of 500 miles per day travelled) and one night at old location prior to leaving. *Any other hotel nights used would have to be treated as taxable income.
Mileage		For 2010, the IRS business mileage rate is 50 cents per mile but the IRS moving/relocation rate is 16.5 cents. Any mileage reimbursed for the Final Move over 16.5 cents per mile is considered taxable income.
Home Sale Expenses		
Appraisals		Yes
Brokerage Fees		Yes
Legal Fees		Yes
State and Local Taxes		Yes
Inspections		Yes
Discount Points		Yes
Recording Fees		Yes
Prepayment Penalties		Yes
Loss on Sale		Yes
Home Purchase Expenses		
Appraisal Fees		Yes
Credit Report		Yes
Origination Fee		Yes
Discount Points		Yes
Title Insurance Costs		Yes
Document Preparation Fee		Yes
Underwriting Fee		Yes
State and Local Taxes		Yes
Recording Fees		Yes
Inspections		Yes
Miscellaneous		
Duplicate Housing Expenses		Yes
Pet Transportation		Yes
Lease Break Fee		Yes