



Moving Expenses

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Moving Expenses

Certain individuals may be able to exclude from income the value of services and reimbursements received from an employer for moving expenses. If they are not reimbursed, they may be able to deduct expenses incurred when they moved.

Limitation

For tax years through 2025, the moving expense deduction and the exclusion from gross income and wages for qualified moving expense reimbursements have been suspended and are not available for most taxpayers.

Exception: Active duty servicemembers of the Armed Forces (and their spouses and dependents) moving under military orders and incident to a permanent change of station can continue to claim the moving expense deduction and receive excludable moving expense reimbursements.

The exclusion applies only to reimbursement of moving expenses that the servicemember could deduct if he or she had paid or incurred them without reimbursement.

Deductibility Tests

Servicemembers of the Armed Forces can deduct moving expenses without meeting a time or distance tests if both of the following criteria are satisfied.

- You are on active duty.
- You move because of a permanent change of station.

Permanent change of station (PCS). A permanent change of station includes:

- A move from your home to your first post of active duty,
- A move from one permanent post of duty to another, and
- A move from your last post of duty to your home or to a nearer point in the United States. The move must occur within one year of ending your active duty or within the period allowed under the Joint Travel Regulations.

Other circumstances. If you are the spouse or dependent of a servicemember of the Armed Forces who deserts, is imprisoned, or dies, a permanent change of station for you includes a move to:

- The servicemember's place of enlistment or induction,
- Your, or the servicemember's, home of record, or
- A nearer point in the United States.

If the military moves you to or from a different location than the servicemember, the moves are treated as a single move to your new main job location.

Foreign Moves

A foreign move is a move from the United States or its possessions to a foreign country or from one foreign country to another foreign country. A move from a foreign country to the United States or its possessions is not a foreign move. For a foreign move, the deductible moving expenses, described later, are expanded to include the reasonable expenses of:

- Moving household goods and personal effects to and from storage, and
- Storing these items for part or all of the time the new job location remains the servicemember's main job location. The new job location must be outside the United States.