Moving Expense Guidelines

There has been an increase in reimbursing moving expenses to new employees of the University. Listed below are some guidelines regarding moving expense reimbursements for you to use in processing reimbursements. Please note that this is not the policy on who is eligible to receive a reimbursement for moving expenses, rather it refers to processing and tax implications.

- When coordinating payment for moving expenses, it is best to work with Procurement Services to pay the moving company directly. It avoids the need for any reporting on the W-2 and there are no tax implications to the employee. However, if the employee is reimbursed directly, all original detailed receipts must be attached and there may be tax implications.

The Internal Revenue Service requires the value of non-qualified expenses to be included in taxable W-2 wages. Only the value of qualified moving expenses are exempt from tax withholding.

The following are considered qualified expenses per IRS Form 3903:

- Amount you paid to pack, crate and move household goods and personal effects.
- Amount you paid to store and insure household goods and personal effects within any period of 30 days in a row after the items were moved from your old home and before they were delivered to your new home.
- Amount you paid to travel from your old home to your new home. This includes transportation and lodging on the way. Including costs for the day you arrive.
- If you use your car, expenses may be figured based on actual out of pocket expenses for gas and oil, or mileage at the rate of 17 cents a mile*. Parking fees and tolls can be claimed in addition to gas and mileage.

Please note: reimbursement for meals, house hunting trips or deposits are not considered as a qualified expense but rather as taxable wages.

Based on IRS guidelines, the original receipts should be submitted at one time within 60 days of the move. Qualified moving expenses will be reported on the employees W-2 in box 12, code P. Non-qualified expenses will be included in wages and taxed accordingly.

*Rate change to 17 cents per mile effective January 1, 2017 per IRS regulations.