

## Moving Expense

Your Name

- Did the taxpayer move at least 40 km in order to earn income from employment or self employment (or attend post-secondary school) in the year?
- Were expenses reimbursed?
- Date of moving
- Date new job started
- Old address
- New address
- Did the taxpayer move to or from Canada, or between two locations outside Canada?
- Are the receipts available?
- Is the simplified method being used for travel expenses?
- What was the income source at the new location?
- Is the house at the old location sold?
- What are the ongoing costs of keeping the home at the old locations?
- Were all expenses incurred in the current year?

## Moving expense checklist

The term “moving expenses” is defined in S.62(3). Most expenses for moving to the new location are eligible and included the following:

- The cost of moving household effects, including packing, hauling, in-transit storage, and insurance costs
- Transportation costs to the new residence for the taxpayer and his or her family including amounts for travel. Meals, and lodging en route
- The cost of temporary lodging and meals for up to 15 days near the former residence and/or the new residence
- Cost of selling the former residence, including
  - Real estate commissions
  - Penalties for paying off a mortgage
  - Legal fees, and
  - Advertising costs
- Costs of keeping a vacant old residence (to a maximum of \$5,000) while actively attempting to sell it, including,
  - Mortgage interest
  - Property taxes
  - Insurance premiums and
  - Heat and power
- Expenses of purchasing the new home (as long as the old home was owned), including
  - Transfer taxes
  - Legal fees
- Temporary living expenses (meals and lodging) for up to 15 days
- Removal and storage costs including
  - Insurance for household effects
  - Costs of moving a boat, trailer, or mobile home (to the extent the costs of moving the mobile do not exceed the cost of moving the contents alone)
- Cost of cancelling an unexpired lease
- Cost of revising legal documents to show the new address, replacing driver’s licenses and out permits, cost of utility connections and disconnections

### Notes

- ❖ Taxpayers who use their vehicle to move may claim under the simplified method. This allows them to use a per-kilometre rate based on the province where their travel begin. Alternatively, they may claim the expenses they actually incurred which require a detailed record of all vehicle expenses incurred during year.
- ❖ Taxpayers who are claiming meals they purchased while travelling in temporary accommodation may use the simplified method. This allows them to claim up to three meals per day using a flat rate of \$17 per meal without producing receipts. Taxpayers claiming in respect of temporary accommodation may be required to provide documentation to establish how long they were living in it.

## Ineligible expenses

- Expenses to make the former property more saleable
  - Losses on the sale of the former property
  - Expenses incurred before the move (such as house hunting or job hunting)
  - value of items that could not be moved (plants, frozen foods, paint, cleaning products, and ammunition, etc.)
  - Expenses to clean a rented residence
  - Replacement costs for items not moved such as tool sheds, firewood, drapes, etc.
  - Mail forwarding costs
  - Cost of transformer or adapters for household appliances
  - GST/HST on new residence
  - Expenses that are reimbursed
- ❖ Students claiming moving expenses may be affected by the rules which exempt scholarship, bursary and fellowship income after 2006 when students also qualify for the education amount. In prior years, moving expenses were deductible against such taxable income. It is possible that students with non-taxable scholarships will be unable to claim moving expenses