

MOVING EXPENSES

In order to claim moving expenses, you must move from one location to another within Canada to start a new employment position or a new business. New position generally implies a new employer though it is possible to claim moving expenses against income from a new location after relocation.

Moving expenses are generally limited to the income earned at the new location. For employees, this would generally be the income as reported on your T4(s) from the new location less the associated pension contributions, employment expenses and union dues. For self-employed individuals, this would be the net self-employed income. There is a general presumption that the purpose of the move was a new job or business obtained prior to the move. In other words, expenses incurred to move where a position is not established and where a job search is conducted after the move would not qualify. One must be prepared to prove that the move was due to the new position and not the other way around.

Any claim for moving expenses is further reduced by any non-taxable reimbursement received from your employer. However, if the employer paid you a moving allowance and they included this on your T4 thus making it taxable, you do not have to reduce your claim by such an allowance.

There is a provision to allow students to claim moving expenses though the deduction is usually limited to scholarship income which itself is now non-taxable. Please consult with us should you have moved as a student.

Canada Revenue reviews virtually all moving expenses claims and it is imperative that support be provided for all expenses claimed and that the supporting letter by the new employer, if relevant, be provided that states the amount, if any, that the employee was reimbursed.

There are categories for which you have the option of claiming receipts or using a simplified method. For meals, you can retain the receipts or claim \$23 per meal with a limit of three per day for the move. Travel costs via automobile can be based on KMs driven. If a detailed record on distance traveled is not retained, we would use the distance between the two locations. Hotel bills can be used to establish the duration of the move and hence the eligible meal claims.

The back side of this document provides the eligible expenses that can be claimed as well as some of the detailed information we require in order to make a claim for moving expenses. Please make sure you provide support for expenses as required.

Bluenose Accounting

Chartered Professional Accountants



Moving Expense Deduction

- Date of move, and duration of move _____
- Old home address where moved from _____
- Date you started your new job/business/studies _____
- Name and address of new employer _____
- Letter from employer stating date the new job started and whether or not you were reimbursed for any of the cost of the move and the amount of the reimbursement Provided: Y / N

Expenses (need receipts)

- Moving company
- Storage
- Moving supplies/expenses
- Accommodation during the move
- Meals (if using detailed method)
- Travel costs (airplane, train, ferry, bus fares)
- Fuel (if using detailed method)
- Accommodation near new residence after the move (up to 15 days)
- Meals near new residence after the move (up to 15 days)
- Cost of cancelling lease of old residence
- Incidentals (address change on legal documents, disconnection/connection fees for utilities, driver's licence/permits)
- Costs to maintain old residence when vacant (maximum \$5000) – mortgage interest, property taxes, insurance, utilities
- Costs of selling old residence – price of sale, real estate commission, legal fees, advertising, mortgage payout penalty
- Costs of purchasing new residence (only if you owned a home before move) – price of purchase, legal fees, registration or transfer of title
- Reimbursement/allowance you received for moving not included in income