

Deducting Moving Expenses with Your Income Tax Return

Below are some guidelines for including moving expenses when filing an income tax return. For additional information and details search **T1-M Moving Expenses Deduction** on the **Canada Revenue Agency** website at <http://www.cra-arc.gc.ca>

If you have moved and established a new home to be employed or carry on a business at a new location, you can deduct eligible moving expenses.

You can also claim moving expenses if you moved to study courses as a student in full-time attendance at a university, college or other educational institution that offers courses at a post-secondary school level.

To qualify, your new home must be at least 40 kilometres (by the shortest usual public route) closer to the new place of work or educational institution.

You can claim reasonable amounts that you paid for moving yourself, your family, and your household effects. Not all members of your household have to travel together or at the same time.

If you received a reimbursement or an allowance from your employer for your eligible moving expenses, you can only claim your moving expenses if you include the amount you received in your income or if you reduce your moving expenses by the amount received.

You may be asked to provide a letter from your employer stating that you were not reimbursed for the moving expenses you are claiming.

Some eligible moving expenses include:

Transportation and storage costs

You can claim transportation and storage costs (such as packing, hauling, movers, in-transit storage and insurance) for household effects, including items such as boats and trailers.

Travel expenses

You can claim travel expenses, including vehicle expenses, meals, and accommodation, to move you and members of your household to your new residence.

Temporary living expenses

You can claim costs for up to a maximum of 15 days for meals and temporary accommodation near the old and the new residence for you and members of your household.

Cost of cancelling your lease

You can claim the cost of cancelling the lease for your old residence, except any rental payment for the period during which you occupied the residence.

Incidental costs related to your move

You can claim the cost of changing your address on legal documents, replacing driving licences and non-commercial vehicle permits (not including insurance), and utility hook-ups and disconnections.

Cost to maintain old residence when vacant

You can claim, to a maximum of \$5,000, the cost for interest, property taxes, insurance premiums, and heat and utilities expenses you paid to maintain your old residence when it was vacant after you moved, and during a period when reasonable efforts were made to sell the home.

Cost of selling old residence

You can claim the cost of selling your old residence, including advertising, notary or legal fees, real estate commission, and mortgage penalty when the mortgage is paid off before maturity.

Cost of purchasing new residence

If you or your spouse or common-law partner sold your old residence as a result of your move, you can claim the legal or notary fees you paid for the purchase of your new residence, as well as any taxes paid (other than GST/HST or property taxes) for the transfer or registration of title to the new residence.

Ineligible moving expenses include:

Expenses you cannot claim include:

- travel expenses for work done to make your old residence more saleable;
- any loss from the sale of your home;
- travel expenses for house-hunting trips before you move;
- travel expenses for job hunting in another city;
- the value of items movers refused to take, such as plants, frozen food, ammunition, paint, and cleaning products;
- expenses to clean or repair a rented residence to meet the landlord's standards;
- expenses to replace personal-use items such as tool sheds, firewood, drapes, and carpets;
- mail-forwarding costs (such as with Canada Post);
- costs of transformers or adaptors for household appliances;
- costs incurred in the sale of your old residence if you delayed selling for investment purposes or until the real estate market improved;
- and mortgage default insurance.

Generally, you cannot deduct the cost of moving a mobile home. However, if you have personal effects in a mobile home when it is moved, you can deduct the amount it would have cost to move those personal effects separately.