

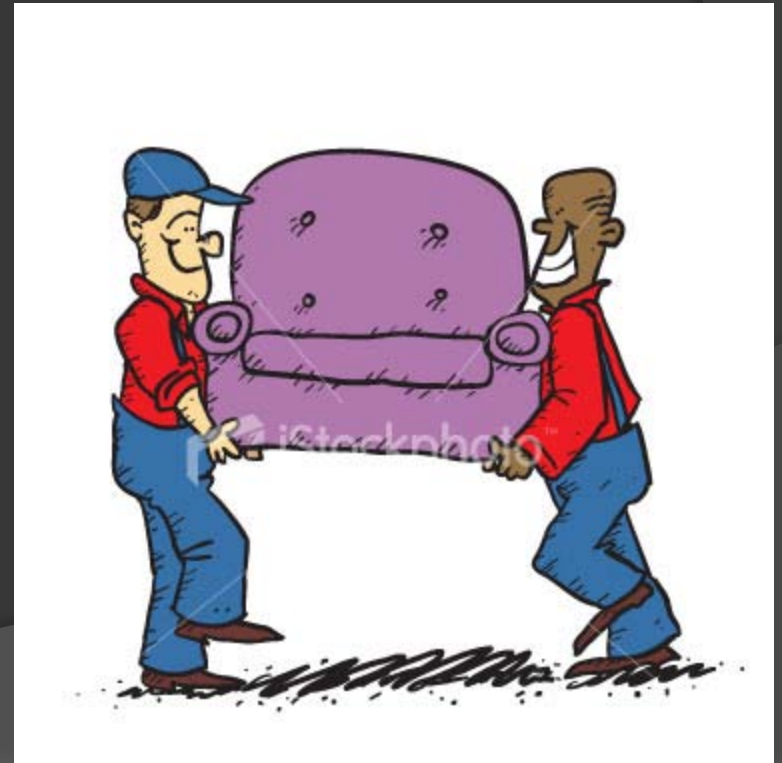
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RELOCATION EXPENSES REIMBURSEMENT

Deductible Moving Expenses

Only two types of deductible Relocation Expenses

- Transportation of Household goods
- Traveling



Deductible Transportation of Household Goods

Reasonable expenses incurred ...

- Packing
- Moving
- Insuring
- Storing In-Transit
 - 30 day limit
 - From old residence and before delivery to new residence
- Employer can pay Moving Company directly



Deductible Relocation Travel Expenses

Reasonable expenses incurred...

- Transportation
 - Flights
 - Automobile (Self-drive)
 - Mileage: \$0.xx per mile
 - Or Actual Receipts for Fuel
- Lodging

“Reasonable” Expenses

What are reasonable expenses?

- Relocation expenses are deductible only to the extent they are reasonable under all circumstances related to the move. IRS Reg §1.217-2(b)(2)

What does this mean?

- Transportation Expenses
 - Packing
 - Moving
 - In-transit storage
 - Includes specialized Movers
 - Pianos
 - Oversea Shippers
- Traveling Expenses
 - Transportation
 - Lodging

UTSA Relocation Reimbursement Summary

- Qualified Transportation of Household Goods
- Qualified Travel
- Qualified Lodging
- In-Transit Storage
- Meals*
- Pre-move House Hunting*
- Temporary Housing*

*Taxable Income to the employee

Relocation Expense

Reimbursement Reporting to IRS

- Qualified Moving Expenses

 - Reimbursement:

 - Form W-2: Box 12 Code P

- Non-Qualified Non-Deductible:

 - Form W-2: Box 1 , 3, and 5
 - Non-Qualified Non-Deductible are taxable funds and the amount is processed through employee's payroll check with taxes withheld.

Non-deductible Expenses (IRS Pub 521)

Items not reimbursed by UTSA

- Any part of the purchase price of the new home
- Car Registration (tags)
- Driver's License
- Expenses of buying or selling a home
- Home improvements to help sell your home
- Loss on the sale of home
- Mortgage Penalties
- Real Estate Taxes
- Refitting of carpet and draperies
- Return trips to former residence
- Security Deposits
- Storage Charges (excluding In-Transit)