

Are you missing out? If you move and establish a new home to be employed, carry on a business or attend full time education, you can claim moving expenses. In this article we cover the opportunities, rules and guidelines for claiming expenses not reimbursed, which you incur as a result of moving.



Here is what you can claim when you move to be closer to your new place of employment, full time school or university

❖ Eligible Moving Expenses

To the extent that you have not been reimbursed for moving expenses, you can deduct eligible moving expenses from employment or self-employment income you earn at your new location if you move and establish a new home to be employed or carry on a business. You can also deduct moving expenses if you move to study courses as a student in full-time attendance enrolled in a program at a post-secondary level at a university, college or other educational institution.

❖ The rules

1. 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
2. If you are employed or self-employed, you can only deduct eligible moving expenses from employment or self-employment income you earn at the new location
3. You can only deduct moving expenses from the part of your scholarships, fellowships, bursaries, certain prizes, and research grants required to be included in your income.

❖ Expenses you can deduct

- You can deduct 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.

❖ Eligible moving expenses include

- transportation and storage costs (such as packing, hauling, in-transit storage, and insurance) for household effects, including items such as boats and trailers;
- travel expenses, including vehicle expenses, meals, and accommodation, to move you and members of your household to your new residence
- costs for up to 15 days for meals and temporary accommodation near either residence for you and the members of your household;



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

❖ When your old residence is sold as a result of your move, eligible moving expenses also include:

- legal or notarial fees for the purchase of the 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

❖ If you or your spouse or common-law partner sold the old residence, and

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

If you moved, and your moving expenses were paid in a year after the year of your move, you can claim them on your return for the year you paid them against employment or self-employment income earned at the new location.

The same possibility is also extended to students reporting a taxable amount of scholarships, fellowships, bursaries, certain prizes, and research grants.

You can carry forward any unused amounts and deduct them only against eligible income earned at the new location in the following years.

However, you cannot carry back moving expenses to a previous year. For example, if you paid moving expenses in 2011 for a move that occurred in 2010, you cannot claim the expenses paid in 2011 on your 2010 return, even if you earned employment or self-employment income at the new location in 2010.

- **Incidental costs related to the 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.

❖ Costs to maintain your 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.

The costs must have been incurred when your old residence was not ordinarily occupied by you or any other person who ordinarily resided with you at the old residence just before the move.

You cannot deduct these costs during a period when the old residence was rented.

❖ Expenses you cannot deduct

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

❖ Mobile Homes

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.

❖ Did you move from Canada?

Provided you met all other conditions and requirements described earlier on, you can claim eligible expenses for a move from Canada if:

- You are a full-time student (including a co-operative student), or a factual or deemed resident as defined below; and
- You moved from the place where you ordinarily resided to live in another place where you ordinarily reside.

You cannot claim moving expenses if you rent an apartment in another country where you are working temporarily and you maintain residential ties in Canada (for example, your spouse and children remain in your home in Canada), because your home in Canada is where we consider you to ordinarily reside.

The information presented is only of a general nature, may omit many details and special rules, is current only as of its published date, and accordingly cannot be regarded as legal or tax advice. Please contact our office for more information on this subject and how it pertains to your specific tax or financial situation.