



Relocation and Moving Expenses

Revenue Canada in some cases allows the deduction from total income of the expenses incurring in moving to a different location for the purpose of starting a new job or moving to school. You may deduct your expenses if ALL of the following are true:

You moved to start a job or a business over 40 km from your old residence, or you moved to attend full-time post-secondary courses at a university, college or other educational institution.

The move was from one place in Canada to another place in Canada. However, if you were a "factual resident" or a student who lives outside Canada, you may possibly qualify.

You can only deduct expenses from income or scholarship earned at the new work/school location, not from employment insurance benefits or investment income.

In calculating your deduction, you must subtract any moving grant, allowance or reimbursement you received from your employer or a government department from your eligible moving expenses.

You must keep receipts in case CRA asks to see them later. The receipts are not filed, but must be retained by the taxpayer.

As a student you can only deduct expenses up to the amount that you have included on your return as award income such as fellowships, bursaries, scholarships research grants. Also, the move had to have brought you at least 40 kilometers closer to your educational institution.

Eligible Moving Expenses

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.

Traveling expenses from old residence to new residence-auto expenses, meals, and accommodation

Transportation and storage costs for household effects -packing, hauling, in transit storage and insurance

Maximum of 15 days' living expenses near new or old residence (hotels, meals). A recent tax court interpretation held that the taxpayer could use any 15 days, not necessarily the first 15. If, for example, the employer paid the first 10 days' accommodation at the new location, then the taxpayer can still claim days 11 through 26 if temporary accommodation was still required.

Cost of cancelling the lease for the old residence.

Cost of selling the old residence (advertising, notarial or legal fees, real estate commissions and mortgage penalty when the mortgage is paid off before maturity.

Cost of purchasing a new residence (legal fees, taxes paid for the transfer or registration of title) NOTE: You can only claim these costs if you or your spouse are selling or have sold your old residence.

Moving expenses include mortgage interest, property taxes, insurance premiums and the costs associated with maintaining heat and power, in a vacant old residence. The allowable deduction is claimed on line 9 of form T1-M "Claim for Moving Expenses" and is equal to the least of the following amounts:

The actual amount of maintenance expenses or \$5000

You can also deduct the cost of revising legal documents to reflect the address change, replacing a driver's license or automobile permit and utility hookups and disconnections.

Gooder Financial Mgmt

3017 Tutt St.

Kelowna BC. 250.861.4481