

# Job Related Moving Expenses Are Deductible

Taxpayers who are changing job locations and moving as a result can deduct certain moving expenses when they file their tax returns, the Internal Revenue Service said.

Moving expenses which are allowable deductions include the costs of househunting trips prior to the move; disposing of the old home and getting a new one; temporary living expenses at the new location; moving personal and household goods; and traveling to the new home.

Reasonable job-related moving expenses may be considered allowable deductions if the expenses meet the distance test, time test, and are closely related to the start of work.

To meet the distance test, the new job location must be at least 35 miles farther from the taxpayer's home than the old main job location was.

### Time Test

The time test requires that a person be employed full-time at least 39 weeks of the 12-month period following ar-

ival in the general area of the new job. These 39 weeks do not have to be consecutive or with the same employer.

If a taxpayer is married, filing a joint return, and if both spouses work, either spouse's employment may fulfill this time requirement, but the weeks of each spouse cannot be added together to fulfill the 39-week requirement.

A move must also be closely related to the start of work, meaning that the move should take place within a year of taking a new job.

### Use Form 1040

Eligible taxpayers should use Form 3903, *Moving Expense Adjustment*, to deduct allowable moving expenses. Job-related moving expenses can be deducted even if deductions are not itemized, but Form 1040 must be used.

Details about deductions for moving can be found in the free IRS Publication 521, *Moving Expenses*. Both Form 3903 and Publication 521 are available by calling or writing the IRS, or by using the order blank found in federal tax packages.

# Taxpayers Who Suffer Casualty Loss May Take Deduction

Taxpayers who suffer a loss of non-business property due to theft or casualty may be able to claim a casualty loss on Federal income tax returns, the IRS says.

A casualty loss is defined as the damage, destruction or loss of property due to an identifiable event that is sudden, unexpected, or unusual in nature. It could be the result of vandalism, car accident, hurricane, fire or flood.

The Tax Reform Act of 1984 changes the treatment of casualty losses so that gains and losses from nonbusiness casualties and thefts must be treated separately from business gains and losses. To claim a loss on the tax return, the loss is subject to the following limitations. Each casualty loss must be reduced by the amount of insurance of other type of reimbursement received. The first \$100 of a non-business loss is not deductible, and a separate \$100 limitation applies to each casualty. In addition, nonbusiness

casualty losses are deductible only to the extent the total of all losses for the year are more than 10 percent of adjusted gross income. The new law changes how you figure this 10% amount if you have both gains and losses from casualties and thefts.

Taxpayers claiming a casualty loss on Federal income tax returns should have documentation of loss. Receipts and photographs, especially of valuable items, can be extremely helpful in

establishing and substantiating the allowable deductions.

More information about nonbusiness casualty losses can be found in IRS Publication 547, *Nonbusiness Disasters, Casualties and Thefts*, and in IRS Publication 584 *Disaster and Casualty Loss Workbook*.

To obtain these free publications use your handy order form in your tax package, or write or call your IRS office.

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## Tax Credit For Political Contributions

Taxpayers may take a credit of up to \$50 (\$100 on a joint return) for half the political contributions you made during the year, the IRS says.

However, be sure that you have a written receipt to prove your contributions. Cancelled checks will in most cases meet this requirement. You also may be required to prove that you made your contribution to a qualified political candidate, campaign committee, newsletter fund, or a national political party or that the purpose of the payment was to make a political or newsletter fund contribution.

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