

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

Accounting Services Department

MOVING EXPENSE REIMBURSEMENTS

In order for a moving expense reimbursement to be excludable from the gross income of the employee, it must meet the requirements for qualified moving expenses as defined by the Internal Revenue Code. Generally, the following costs can be reimbursed without tax consequence:

- Transportation costs for household goods and personal effects
- Transportation / travel costs for members of household
- Reasonable lodging costs during move
- Storage charges for household goods for up to 30 days

Reimbursements for costs normally classified as qualified moving expenses could be deemed to have tax consequence to the employee if the costs are not incurred within a year of the change in employment or if the tests for proximity are not satisfied.

Direct payments or reimbursements for qualified moving expenses should be processed through Purchasing using a Purchase Order (PO) form.

Reimbursements for non-qualified moving expenses are considered an exception to institutional policy and are only allowed with explicit written authorization from the appropriate Dean or Vice President or, if applicable, the President. Such exceptions, which will result in increased gross income and related tax withholdings for the recipient employee, are processed through Payroll using a Taxable Employee Compensation form.

For more detailed information, please consult HSC OP 72.03 or IRS publication 521 (*Moving Expenses*).