

Last Name _____ First Name _____

SSN _____

Are you claiming this deduction as a member of the U.S. Armed Forces on active duty who moved pursuant to a military order and incident to a permanent change of station?

YES. Stop, your moving expense deduction is the same as claimed on federal form 3903. Include federal form 3903 with your IA 1040 and enter the amount on IA 1040, line 22.

NO. Continue.

Distance Test

Your new principal workplace must be at least 50 miles farther from your old home than your old workplace was. For example, if your old workplace was 3 miles from your old home, your new workplace must be at least 53 miles from that home. If you did not have an old workplace, your new workplace must be at least 50 miles from your old home. The distance between the two points is the shortest of the more commonly traveled routes between them.

1. Number of miles from your old home to your new workplace.....1. _____
2. Number of miles from your old home to your old workplace.....2. _____
3. Subtract line 2 from line 1. If zero or less, enter -0-.....3. _____

Is line 3 at least 50 miles?

NO. Stop, you cannot deduct your moving expenses.

YES. Continue to page 2, see the time test in the instructions to find out if you can deduct your moving expenses.

Moving Expenses You Can Deduct

You can deduct the reasonable expenses of moving your household goods and personal effects and of traveling from your old home to your new home. Reasonable expenses can include the cost of lodging (but not meals) while traveling to your new home. You cannot deduct the cost of sightseeing trips.

Who Can Deduct Moving Expenses

If you move to a new home because of a new principal workplace, you may be able to deduct your moving expenses whether you are self-employed or an employee. But you must meet both the distance and time tests. Also, your move must be closely related both in time and place to the start of work at your new job location. For more details, see 2017 IRS Pub. 521.

4. Transportation and storage of household goods and personal effects.
See instructions.....4. _____
5. Travel (including lodging) from your old home to your new home. See instructions.
Do not include the cost of meals.....5. _____
6. Add lines 4 and 5.6. _____
7. Enter the total amount your employer paid you (directly or indirectly) for the
expenses listed on lines 4 and 5 that is **not** included in box 1 of your Form W-2
(wages). This amount should be shown on your 2018 federal form W-2, box 12
and should relate to payments or reimbursements from a move that occurred
in 2017. See instructions.....7. _____
8. Is line 6 more than line 7?
 - a. NO, you cannot deduct your moving expenses. Subtract line 6 from line 7 and
enter the result as additional income on your IA 1040, line 14, to the extent not
already included as income. Stop completing this worksheet.
 - b. YES, you can deduct your moving expenses to the extent they weren't
reimbursed by your employer and excluded from your income. Subtract
line 7 from line 6 and enter the result here and on IA 1040, line 22.
Nonresidents and part-year residents, see IA 126 for additional instructions.....8b. _____

Purpose of Worksheet

The federal Tax Cuts and Jobs Act of 2017 suspended the deduction for qualified moving expenses for taxpayers other than members of the Armed Forces on active duty moving pursuant to a military order and incident to a permanent change of station. However, Iowa has not conformed to this federal limitation for tax year 2018. Use IA 3903 to figure your moving expense deduction for 2018 for a move related to the start of work at a new principal place of work (workplace). If the new workplace is outside the United States or its possessions, you must be a U.S. citizen or resident alien to deduct your expenses. If you qualify to deduct expenses for more than one move, use a separate IA 3903 for each move. For more details, see 2017 IRS Pub. 521, Moving Expenses.

Time Test

If you are an employee, you must work full time in the general area of your new workplace for at least 39 weeks during the 12 months following the move. If you are self-employed, you must work full time in the general area of your new workplace for at least 39 weeks during the first 12 months and a total of at least 78 weeks during the 24 months following the move.

What if you do not meet the time test before your return is due? If you expect to meet the time test, you can deduct your moving expenses in the year you move. Later, if you do not meet the time test, you must either:

- Amend your Iowa tax return for the year you claimed the deduction, or
- For the year you cannot meet the time test, report as income the amount of your moving expense deduction that reduced your income tax for the year you moved.

If you did not deduct your moving expenses in the year you moved and you later meet the time test, you can take the deduction by filing an amended Iowa tax return for the year you moved.

Exceptions to the time test. You do not have to meet the time test if any of the following apply.

- Your job ends because of disability.
- You are transferred for your employer's benefit.
- You are laid off or discharged for a reason other than willful misconduct.
- You meet the requirements for retirees or survivors living outside the United States.
- You are filing this form for a decedent.

Retirees or Survivors Living Outside the United States

If you are a retiree or survivor who moved to a home in the United States or its possessions and you meet the following requirements, you are treated as if you moved to a new principal workplace located in the United States. You are subject only to the distance test.

Retirees

You can deduct moving expenses for a move to a new home in the United States when you permanently retire if both your old principal workplace and your old home were outside the United States.

Survivors

You can deduct moving expenses for a move to a home in the United States if you are the spouse or dependent of a person whose principal workplace at the time of his or her death was outside the United States. The expenses must be for a move (a) that begins within 6 months after the decedent's death, and (b) from a former home outside the United States that you lived in with the decedent at the time of his or her death.

Filers of federal Form 2555

If you file federal Form 2555, Foreign Earned Income, to exclude any of your income or housing costs, report on IA 3903 and on IA 1040, line 22, only that part of your total moving expenses that is not allocable to your excluded income. For details on how to figure the part allocable to the excluded income, see 2017 IRS Pub. 54, Tax Guide for U.S. Citizens and Resident Aliens Abroad.

Specific Instructions

You can deduct the following expenses you paid to move your family and dependent household members. Do not deduct expenses for employees such as a maid, nanny, or nurse.

Line 4:

Moves within or to the United States or its possessions. Enter the amount you paid to pack, crate, and move your household goods and personal effects. You can also include the amount you paid to store and insure household goods and personal effects within any period of 30 days in a row after the items were moved from your old home and before they were delivered to your new home.

Moves outside the United States or its possessions. Enter the amount you paid to pack, crate, move, store, and insure your household goods and personal effects. Also, include the amount you paid to move your personal effects to and from storage and to store them for all or part of the time the new workplace continues to be your principal workplace.

Line 5: Enter the amount you paid to travel from your old home to your new home. This includes transportation and lodging on the way. Include costs for the day you arrive. The members of your household do not have to travel together or at the same time, but you can only include expenses for one trip per person. Do not include any house hunting expenses. If you use your own vehicle(s), you can figure the expenses by using either:

- Actual out-of-pocket expenses for gas and oil, or
- Mileage at the rate of 18 cents per mile.

You can add parking fees and tolls to the amount claimed under either method.

Lines 7 and 8: You can choose to deduct moving expenses in the year you are reimbursed by your employer, even though you paid the expenses in a different year. However, special rules apply. See *When to Deduct Expenses* in 2017 IRS Pub. 521.

The federal Tax Cuts and Jobs Act of 2017 suspended the exclusion from gross income of qualified moving expense reimbursements received from an employer. However, IRS Notice 2018-75 provides an exception under certain circumstances for payments or reimbursements received from an employer in 2018 for moving expenses paid or incurred in connection with a 2017 move. If you are choosing to properly deduct for 2018 Iowa tax purposes moving expenses connected to a move that occurred in 2017, you cannot deduct any moving expenses for which you received a reimbursement from your employer that was not included in your income.