

TARLETON STATE UNIVERSITY Internal Guidelines for Moving Expenses

*Approved August 24, 2006
Revised April 10, 2008*

New Employee Moving Expense

Both Qualified and Non-Qualified moving expenses for new Tarleton State University employees must be paid from local funds. In order to pay for moving expenses for new state employees these expenses must be made under an accountable reimbursement plan which requires that original receipts be obtained. These expenses are exempt from Tarleton State University purchasing guidelines. According to IRS guidelines, in order to qualify as a moving expense, the new job location must be at least 50 miles from the old residence. In addition, the employee must generally be employed full-time by the same employer for at least 39 weeks during the 12-month period immediately following arrival at the location.

***NOTE:** Moving expenses are not automatic. Any moving expenses must be approved in writing by the appropriate vice president and the president prior to any employment offers. Failure to secure written approval in advance will result in denial of payment of moving expenses.*

Qualified Moving Expense

Qualified moving expenses are:

- travel (including lodging but not meals) to the new residence; and
- moving of household goods and personal effects which include rental of moving vehicles or paying a moving company, boxes, tape, packaging material, etc.

If you use your car to take yourself, members of your household, or your personal effects to your new home, you can figure your expenses by deducting **either**:

- 1) your **actual expenses**, such as gas and oil for your car if you keep an accurate record of each expense; or
- 2) the **standard mileage rate** as determined by current IRS guidelines.

Qualified moving expenses should be coded 1925 and are not taxable to the employee. Some examples of qualified moving expenses are transportation to the new home for the employee and immediate family members, movers, hotel costs while driving to the new home, and rental of a moving truck.

Non-Qualified Moving Expenses

Non-qualified moving expenses should be coded 1926 and are taxable income to the employee. These will be processed through the Payroll Department. A flat withholding rate of 25% will be applied as per IRS guidelines. Some examples of non-qualified moving expenses are house-hunting trips and all expenses associated with that trip,

meals, temporary lodging while finding a place to live, car rental at the new home city, and temporary storage. Amounts received by an employee as payment for, or reimbursement of, moving expenses which are attributable to employment, must be included in gross income as compensation for services except where deductible as qualified moving expenses.

Please refer to IRS publication 521 located at <http://www.irs.gov/pub/irs-pdf/p521.pdf>. If you have any questions please contact Mike Tate at 254-968-9107.

Current Tarleton Employees

Tarleton State University may use any source of funds to pay the reasonable, necessary, and resulting costs of moving the household goods and effects of a Tarleton State University employee. However, state funds can only be used if we are transferring one of our own employees and the costs are payable only if:

- 1) the employee is being transferred from one designated headquarters to another within the same agency; and
- 2) the agency determines that the transfer is in the best interests of the state; and
- 3) the distance between the boundaries of the two designated headquarters is a least 25 miles.

State-owned equipment must be used to move the household goods and effects of the transferring employee. However, if state-owned equipment is not available a state agency may pay for the services of a commercial transportation company or for self-service vehicles to make the move. A state agency may directly pay a commercial transportation company or the owner of a self-service vehicle instead of reimbursing a state employee.