

# *Blue Skies* **Tax Service**

104-5695 Cowrie St. Box 46 Sechelt BC V0N3A0

## Moving Expenses

If you move to a new location for the purpose of a new job or business, you are eligible to deduct your moving expenses. In order to qualify, you must move a minimum of 40km closer to your new work and cease employment or business at the old location.

You may deduct expenses for yourself and members of your family. This includes transportation, meals and lodging. You are eligible to claim \$0.495/km (BC 2014) for using your own vehicle, and a flat-rate deduction for meals is available of \$17/meal/person up to 3 times per day.

Moving expenses include hiring movers or renting a truck, storage of household effects, up to 15 days temporary board and lodging near your old or new residence, transportation of household members (airfare, bus, taxi, ferry), the cost of cancelling a lease and the costs of selling and buying a house.

In order to deduct the costs associated with buying a home, it is required that you owned a home at the old location. Deductible expenses include advertizing, real estate commissions, legal fees and mortgage penalties.

If you are unable to sell your old residence right away, the cost of maintaining the home are deductible, provided you do not use it or rent it out and are making reasonable efforts to sell it. These costs include heat, insurance, property taxes and mortgage interest. A maximum of \$5000 may be deducted for this expense.

Incidental expenses, such as fees for changing your address on legal documents and utilities connection / disconnection, are also eligible.

Moving expenses are deductible against income earned at the new location only. You must report the expenses in the year they are paid, even if the qualifying income is not earned until the following year. Any portion of the expense that is not deducted in full may be carried forward and deducted in the following year.