

OREGON ACCOUNTING MANUAL	
SUBJECT: Accounting and Financial Reporting	NUMBER: 50.20.00.PO
DIVISION: State Controller's Division	EFFECTIVE DATE: July 1, 2009
Chapter: Tax Issues	
Part: Moving Expenses	
APPROVED: John Radford, State Controller	Signature on file at SCD

POLICY PURPOSE:

- .101 This policy provides guidance to agencies for the classification, payment and reporting of employee moving expenses.

AUTHORITY: Internal Revenue Code Section 132; IRS Publication 521 and 15-B

- .102 Payments to employees for the reasonable, receipted expenses of moving household goods and personal effects from the employee's former residence to the new residence and the receipted costs of travel and lodging, not including meals, are non-taxable. However, agencies must report non-taxable expenses as a memo item on the employee's W-2 form for the year of payment.
- .103 Non-taxable moving expenses must meet the Internal Revenue Service (IRS) time and distance tests.
 - a. The distance test requires that the new job be at least 50 miles farther from the former home than the old job location is from the former home.
 - b. The time test requires that the employer must intend that the employee will work full time in the new job for 39 weeks in the 12 months immediately following the move.
- .104 Payments to employees for any moving expenses other than those described above, including moving-related expenses authorized by labor agreement or policy, are taxable income and must be reported in Box 1 on the employee's W-2 for the year of payment.
- .105 Agencies must pay or record payments for moving expenses through the Oregon Statewide Payroll Application (OSPA) to ensure proper reporting on the employee's W-2 form.