

OREGON ACCOUNTING MANUAL		Number 50.20.00.PR
Oregon Department of Administrative Services State Controller's Division		Effective Date December 8, 2000
Chapter	Tax Issues	.1 OF .2
Part	Moving Expenses	
Section		Approval Signature on file at SCD

Authority Internal Revenue Code Section 132, Omnibus Reconciliation Act of 1993 and IRS Announcement 94-2 (12-22-93)

- .101 The **agency** agrees with the employee to pay moving expenses as per DAS HRSD Policy No. 40.055.10 Employee Relocation or negotiated labor agreement.
- .102 The employee submits a single moving expense claim along with supporting documentation.
- .103 Two tests exist to determine whether moving expense payments fall in the non-taxable class. The first is the distance test. The second deals with time of employment at the new location.
 - a. The distance test asks if the new principle place of work is at least fifty (50) miles further from the old residence than is the old principle place of work. An example of this is the case where an employee presently drives ten miles from home to work. On transfer, the one way commute would have to be at least 60 miles (50 miles greater than the ten mile commute) for moving expenses to qualify under this test.
 - b. The next test asks if it is the employer's intent that the employee be employed at the new location for at least 39 weeks during the 12 months immediately following the move. The answer must be "yes."
- .104 Expenses are covered as follows:
 - a. Moving household and personal effects from the old residence to the new, including the cost of packing, in-transit storage, and insurance. Agencies should refer to DAS HRSD policies for guidance and applicable limitations.
 - b. Travel and lodging from the former residence to the new one. In order to be non-taxable, mileage must be paid according to the IRS approved moving mileage rate.
- .105 All other moving expense payments are, on their face, taxable.
- .106 The agency reviews the request based on the two tests listed above and classifies the expenses as taxable or non-taxable.
- .107 The agency payroll office enters a gross pay adjustment with the pay type code MVN for the non-taxable portion.
- .108 The agency payroll office enters a gross pay adjustment with the pay type code MVT for the taxable portion.
- .109 The expense amount net of taxes will be included in the employee's next electronic deposit or pay check.

- .110 **OSPS** will charge the payment to comptroller object 3810, Employee Relocation-Payroll.
- .111 Payments directly to vendors can be made through OSPS by requesting a "manual" check from the Central Payroll unit. Review OSPS Letter of Recommended Payroll Practice – Moving Expenses, Appendix D, OSPS User’s Manual.
- a. Such request must include the vendor name and mailing address along with the employee name and social security number.
 - b. This procedure alleviates the need to process moving expenses through both OSPS and accounts payable.
 - c. Documentation standards for any expenditure of state funds apply to these payments as they do to all others.