

# ***The Tax Review* Moving and Relocation**

## **Learning Objectives / Table of Contents**

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### **Chapter**

#### **1 Moving Expenses**

- 1-A** Identify situations in which taxpayers can deduct moving expenses.
- 1-B** Recognize the components of the distance test for determining if moving expenses are deductible.
- 1-C** Identify the requirements to meet the time test for determining if moving expenses are deductible.
- 1-D** Distinguish moving expenses that are deductible.
- 1-E** Determine the tax treatment of moving expenses when an employer reimburses some or all moving expenses.

#### **2 Home Sale or Purchase**

- 2-A** Determine the tax treatment of settlement costs on the purchase or sale of a principal residence.
- 2-B** Identify how settlement charges affect the basis of a home.
- 2-C** Apply the rules for exclusion of gain on the sale of a home.
- 2-D** Indicate the requirements for taking a reduced exclusion of gain on the sale of a home.
- 2-E** Recognize tax issues involved when a taxpayer relocates and the prior house remains unsold and/or is rented.

#### **3 State Tax Issues**

- 3-A** Calculate the sales tax deduction using the optional sales tax tables for an individual who moved from one state to another within the year.
- 3-B** Recognize the effects of reciprocal agreements between states.
- 3-C** Report tax items properly for situations when an individual lives in one state and works in another.
- 3-D** Recognize part-year resident and nonresident tax filing requirements when a taxpayer moves to another state.
- 3-E** Analyze Form W-2 for the proper reporting when an individual has wages in different states from the same employer.

#### **4 Domicile and Residency**

- 4-A** Determine factors that establish a taxpayer's domicile.
- 4-B** Recognize the factors involved in abandoning domicile when a taxpayer moves from one state to another.
- 4-C** Identify the various methods states use to determine residency.
- 4-D** Determine the tax treatment for being temporarily present in a state.
- 4-E** Distinguish residency for military taxpayers.