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Moving Expenses Paid by Employer

Under the TCJA, moving expenses reimbursed by an employer after December 31, 2017, will generally be taxable to the employee. (There is an exception for active-duty members of the armed forces.) The IRS has now issued guidance clarifying that taxpayers who have their moving expenses reimbursed or paid by their employer after December 31, 2017, will not be taxed on such amounts if the expenses were (a) incurred in 2017, (b) had not been previously deducted by the taxpayer, and (c) would have been deductible under the rules prior to the enactment of the TCJA. Employers who filed 2017 Form W-2s treating such amounts as taxable income can follow the normal procedures for correcting employment tax returns.