



## Lesson Plan

### Military Moving Expenses

Time Required: 30 minutes

| Introduction   | Objectives   | Topics   |
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| This lesson explains how to determine which members of the U.S. Armed Forces are entitled to an adjustment to income for moving expenses. Students will learn how to identify qualifying moves, allowances and reimbursements, and deductible moving expenses. | <p>Determine if a move qualifies as a permanent change of station (PCS).</p> <p>Identify deductible moving expenses.</p> <p>Determine when allowances and reimbursements must be included in income.</p> |  <p>Permanent Change of Station<br/>Deductible Moving Expenses<br/>Reimbursements<br/>Reporting Moving Expenses</p> |

### Key Terms

**Cash Method:** Accounting method that reports income when constructively received (not earned) and expenses when paid (not incurred), as opposed to the accrual method.

**DITY Move:** Do-it-yourself move, where the Armed Forces member moves some or all of their own household items in a personal or rented vehicle. The most common form of military move is the partial DITY move, where the military provides a moving company to transport some of the service member's goods. Service members who receive DITY payments must include them in their gross income if the payments exceed the allowable expenses.

**PCS:** Permanent change of station for a military service member.

**Travel Expenses:** Expenses service members incur when traveling away from their tax home or post of duty (versus transportation expenses).

### Teacher Tips

#### Guidelines for Lesson

| Guideline                               | Instructor Notes   | Presentation Aids   |
|---|--|---|
| Lesson background info                  | <b>Read</b> the lesson introduction.   | Link & Learn Taxes (L&LT) Military Moving Expenses            |
| Provide details and engage the students | <p><b>Discuss</b> all tips and cautions in detail.</p> <p><b>Ask</b> students to read and/or role-play examples and sample interviews.</p> | <p><b>Internet:</b><br/>L&amp;LT Military Moving Expenses</p> |

## Topic-specific Tips

| Topic Name                  | Instructor Notes  | Presentation Aids   |
|-----------------------------|---|---|
| Introduction                | <p><b>Review</b> lesson objectives.</p> <p><b>Review</b> list of references.</p> <p><b>State</b> the presentation time.</p>   | <p><b>Visual:</b></p> <p><a href="#">Form 1040</a>, Page 1, line 26</p> <p><a href="#">Form 3903</a></p> <p>Pub 4012, Adjustments tab</p>   |
| Permanent Change of Station | <p><b>Prompt</b> students to share what they know about reporting military moving expenses using the Landing Page questions.</p> <p><b>Review</b> L&amp;LT Permanent Change of Station topic.</p> <p><b>Point out</b> that, if the Armed Forces moves a service member and spouse/dependents to or from separate locations, it is treated as a single move.</p> | <p><b>Visuals:</b></p> <p><a href="#">Pub 3</a></p> <p><b>Internet:</b></p> <p>L&amp;LT Military Moving Expenses, Permanent Change of Station</p>   |
| Deductible Moving Expenses  | <p><b>Review</b> L&amp;LT Deductible Moving Expenses topic.</p> <p><b>Point out</b> that Pub 521 has detailed information on deductible and nondeductible expenses.</p> <p><b>Review</b> the examples in Pub 521.</p>   | <p><b>Visuals:</b></p> <p><a href="#">Pub 521</a></p> <p><a href="#">Pub 3</a></p> <p><b>Internet:</b></p> <p>Tax Map: <a href="#">Deductible Moving Expenses (Pub 3)</a></p> <p>Tax Map: <a href="#">Deductible Moving Expenses (Pub 521)</a></p> <p>Tax Topics: <a href="#">Moving Expenses</a></p> |

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| Reimbursements            | <p><b>Review</b> L&amp;LT Reimbursements topic.</p> <p><b>Ask:</b> What is a DITY move?<br/><b>Answer:</b> When Armed Forces members move their own household items in a personal or rented vehicle (Do It Yourself).</p> <p><b>Ask:</b> When an Armed Forces member receives reimbursement for a DITY move, how do you know how much of it to report as taxable income?<br/><b>Answer:</b> The service member receives a Form W-2 showing the taxable portion of the reimbursement.</p> <p><b>Review</b> Table 2 excluded items from reimbursement in Pub 4012, Armed Forces Gross Income.</p>   | <p><b>Visual:</b><br/><a href="#">Form 1040</a>, Page 1, line 7</p> <p>Pub 4012, Income tab:</p> <ul style="list-style-type: none"><li>• <a href="#">Armed Forces Gross Income</a></li><li>• <a href="#">How/Where to Enter Income</a></li></ul>  |
| Reporting Moving Expenses | <p><b>Review</b> L&amp;LT Reporting Moving Expenses topic.</p> <p><b>Emphasize</b> that taxpayers can claim the expenses in the year they paid the expenses or the year they were reimbursed.</p> <p><b>Point out</b> that TaxSlayer calculates the standard mileage amount based on miles traveled for the move.</p> <p><b>Remind</b> students that Form 3903 includes instructions for figuring deductible moving expenses.</p> <p><b>Demonstrate</b> TaxSlayer click line 26, Form 3903 Moving Expenses or Adjustments page.</p> <p><b>Review</b> Table 2 Reporting your Moving Expenses and Reimbursements in Pub 521.</p> <p><b>Review</b> the illustrated example in Pub 521.</p> | <p><b>Visuals:</b><br/><a href="#">Form 1040</a>, line 26</p> <p><a href="#">Form 3903</a></p> <p>Pub 4012, Adjustments tab,<br/><a href="#">Adjustments to Income</a></p> <p><a href="#">Pub 521</a></p> <p><b>Internet:</b><br/>Tax Map: <a href="#">Reporting Moving Expenses (Pub 3)</a></p> <p>Tax Map: <a href="#">Reporting Your Moving Expenses and Reimbursements (Pub 521)</a></p> <p><b>TaxSlayer® Demo:</b><br/>TaxSlayer Adjustments to Income; click line 26, Form 3903 Moving Expenses or Adjustments page</p> |

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## Military Moving Expenses

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| Skills Workout | <b>Review</b> the lesson Certification Warm Up exercise questions with the class.   | <b>Visuals:</b><br>L&LT Military Moving Expenses: Click Certification Warm Up icon to review the exercises  |
| Practice       | <b>Select</b> a practice exercise on reporting military moving expenses.<br><br><b>Verify</b> students have correctly entered the moving expenses in Form 1040, line 26, and included any reimbursement income on line 7. | <b>Visuals:</b><br><a href="#">Publication 4491-W Military Comprehensive Problem and Practice Exercises</a> |

### References

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|------------------------|--|
| Form 1040              | <a href="#">Form 1040</a> , Line 26  |
| Form 3903              | <a href="#">Form 3903, Moving Expenses</a>   |
| Form 13614-C           | <a href="#">Form 13614-C</a> , Intake/Interview & Quality Review Sheet, Section A, Part III  |
| Pub 4012               | Pub 4012, Volunteer Resource Guide, Adjustments and Income tabs<br><a href="#">Armed Forces Gross Income</a><br><a href="#">How/Where to Enter Income</a><br><a href="#">Adjustments to Income</a> |
| Pub 3                  | <a href="#">Pub 3, Armed Forces Tax Guide</a>  |
| Pub 521                | <a href="#">Pub 521, Moving Expenses</a>   |
| Pub 4491-W             | <a href="#">Pub 4491-W</a> – Military comprehensive problem, practice exercise(s) or supplements for AGI line 26   |
| <b>Optional</b>        |  |
| Form 1040 Instructions | <a href="#">Form 1040 Instructions</a> , Moving Expenses   |

### Recommended Classroom Activities



**Skills  
Workout**



**Certification  
Warm Up**



**Media: Videos  
& Audio**



**TaxSlayer  
Tutorial**



**Job Aids**



**Practice  
Lab**



#### Skills Workout: Link & Learn Taxes Military Moving Expenses

Click Skills Workout for a new way to access Link & Learn Taxes Military Moving Expenses.



#### Certification Warm Up –Exercises

Click Certification Warm Up for a new way to access the exercises in Link & Learn Taxes Military Moving Expenses.



#### Media: Video & Audio for Lesson

YouTube video on Military Tax Tips

<https://www.youtube.com/watch?v=L7zwBKuU0YQ>



#### TaxSlayer Tips and Resources for Lesson

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Practice Lab Tutorial

1. Link to the [Practice Lab](#).
  2. Enter the universal password (if you do not have the password, you can request it from your site coordinator or SPEC relationship manager).
  3. Sign in to Practice Lab or create an account.
  4. Select the appropriate tutorial.
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### Job Aids

#### ITA and FAQs for Lesson

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| Tax Map | Deductible Moving Expenses (Pub 3)<br><a href="http://taxmap.ntis.gov/taxmap/pubs/p3-001.htm#TXMP0d1a8fa5">http://taxmap.ntis.gov/taxmap/pubs/p3-001.htm#TXMP0d1a8fa5</a><br>Deductible Moving Expenses (Pub 521)<br><a href="http://taxmap.ntis.gov/taxmap/pubs/p521-001.htm#TXMP0d1a8fa5">http://taxmap.ntis.gov/taxmap/pubs/p521-001.htm#TXMP0d1a8fa5</a><br>Reporting Moving Expenses (Pub 3)<br><a href="http://taxmap.ntis.gov/taxmap/pubs/p3-001.htm#TXMP2cba48ad">http://taxmap.ntis.gov/taxmap/pubs/p3-001.htm#TXMP2cba48ad</a><br>Reporting Your Moving Expenses and Reimbursements (Pub 521)<br><a href="http://taxmap.ntis.gov/taxmap/pubs/p521-004.htm#TXMP0d4d17d3">http://taxmap.ntis.gov/taxmap/pubs/p521-004.htm#TXMP0d4d17d3</a> |
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| Tax Topics | Moving Expenses<br><a href="http://www.irs.gov/taxtopics/tc455.html">http://www.irs.gov/taxtopics/tc455.html</a> |
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| Other | 10 Tips to Ease Tax Time for Military<br><a href="http://www.irs.gov/uac/10-Tips-to-Ease-Tax-Time-for-Military">http://www.irs.gov/uac/10-Tips-to-Ease-Tax-Time-for-Military</a> |
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### Practice Lab

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| Practice Lab | <a href="https://vita.taxslayerpro.com/IRSTraining/">https://vita.taxslayerpro.com/IRSTraining/</a> |
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