

1994 California Moving Expenses

3596

Attach this form to Form 540 or Form 540NR

Name(s) shown on Form 540 or Form 540NR	Social security number			
	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:33%; height: 20px;"></td> <td style="width:33%; height: 20px;"></td> <td style="width:33%; height: 20px;"></td> </tr> </table>			

Caution: If you received reimbursement from your employer for moving expenses or you entered an amount on federal Form 1040, line 24, you need to make an adjustment on Schedule CA (540 or 540NR). See General Instruction F.

Part I Distance Test

Caution: If you are a member of the armed forces, see General Instruction C before completing the rest of this form.

Enter the city or state you are moving to _____ from _____		
1 Enter the number of miles from your old home to your new workplace	1	miles
2 Enter the number of miles from your old home to your old workplace	2	miles
3 Subtract line 2 from line 1. If less than zero, enter -0-	3	miles

If line 3 is 35 miles or more, complete the rest of this form. Also, see **Time Test** under General Instruction B. If line 3 is less than 35 miles, you may not deduct your moving expenses incurred in 1994.

Part II California Moving Expenses

Section A — Transportation of Household Goods

4 Transportation and storage expenses of household goods and personal effects. See instructions	4	
---	----------	--

Section B — Expenses of Moving From Old To New Home

5 Travel and lodging expenses of moving from your old home to your new home not including meals. See instructions	5	
6 Total meals expense. See instructions.	6	
7 Multiply line 6 by 50% (.50)	7	
8 Add line 5 and line 7	8	

Section C — Pre-move Househunting Expenses and Temporary Quarters (for any 30 days in a row after getting your new job)

9 Pre-move travel and lodging expense not including meals. See instructions.	9	
10 Temporary quarters expenses not including meals. See instructions	10	
11 Total meal expenses for both pre-move househunting and temporary quarters. See instructions	11	
12 Multiply line 11 by 50% (.50)	12	
13 Add line 9, line 10, and line 12	13	

Section D — Qualified Real Estate Expenses See instructions.

14 Expenses of (check one) a <input type="checkbox"/> selling or exchanging your old home, or b <input type="checkbox"/> if renting, settling an unexpired lease	14	
15 Expenses of (check one) a <input type="checkbox"/> buying your new home, or b <input type="checkbox"/> if renting, getting a new lease	15	

Part III Dollar Limits and California Moving Expense Deduction

Note: If you and your spouse moved to separate homes, see instructions.

16 Enter the smaller of: • The amount on line 13, or • \$1,500 (\$750 if married filing a separate return and at the end of 1994 you lived with your spouse who also started work in 1994).	16	
17 Add line 14, line 15, and line 16	17	
18 Enter the smaller of: • The amount on line 17, or • \$3,000 (\$1,500 if married filing a separate return and at the end of 1994 you lived with your spouse who also started work in 1994)	18	
19 Moving expense deduction. Add line 4, line 8, and line 18. Enter the total here and on Schedule CA (540 or 540NR), line 36	19	

1994 Instructions for Form 3596

California Moving Expenses

General Instructions

A Purpose of Form

California has not conformed its law to the federal Revenue Reconciliation Act of 1993 (Public Law 103-66) regarding the deductibility of moving expenses for moves made in 1994 or later.

Use form FTB 3596 to figure your California moving expense deduction if you moved to a new principal place of work (workplace) **within** the United States (U.S.) or its possessions. If you qualify to deduct expenses for more than one move, complete a separate form FTB 3596 for each move.

If you are a U.S. citizen or resident alien who moved to a new principal place of work (workplace) **outside** the U.S. or its possessions, complete a 1993 federal Form 3903-F using California amounts to figure your California moving expense deduction. On Form 3903-F, line 6 and line 11, use 50% instead of 80%.

B Who May Deduct Moving Expenses

If you move to a different home because of a change in job location, you may be able to deduct your moving expenses. You may be able to take the deduction whether you are self-employed or an employee if you meet the following tests.

Distance Test. Your new principal workplace must be at least 35 miles farther from your old home than your old workplace was. For example, if your old workplace was 3 miles from your old home, your new workplace must be at least 38 miles from that home. If you did not have an old workplace, your new workplace must be at least 35 miles from your old home. The distance between the two points is the shortest of the more commonly traveled routes between them.

Time Test. If you are an employee, you must work full time in the general area of your new workplace for at least 39 weeks during the 12 months right after you move. If you are self-employed, you must work full time in the general area of your new workplace for at least 39 weeks during the first 12 months and a total of at least 78 weeks during the first 24 months.

You may deduct your moving expenses for 1994 even if you have not met the time test before your 1994 return is due. You may do this if you expect to meet the 39-week test by the end of 1995 or the 78-week test by the end of 1996. If you deduct your moving expenses on your 1994 return but **do not** fulfill the time test, you will have to either:

- amend your 1994 tax return by filing Form 540X, Amended Individual Income Tax Return; or
- report the amount of your 1994 moving expense deduction that reduced your 1994 income tax as income in the year you cannot meet the test.

If you do not deduct your moving expenses on your 1994 return and you later meet the time test, you may take the deduction by filing an amended return for 1994. To do this, use Form 540X.

Exceptions to the Time Test. The time test does not have to be met in case of death or if any of the following apply:

- your job ends because of disability;
- you are transferred for your employer's benefit;
- you are laid off or discharged for a reason other than willful misconduct; or
- you meet the requirements (explained later) for retirees or survivors living outside the United States.

C Members of the Armed Forces

If you are in the armed forces, you do not have to meet the **distance and time tests** if the move is due to a permanent change of station. A permanent change of station includes a move in connection with and within 1 year of retirement or other termination of active duty.

Note: If total reimbursements and allowances you received from the government related to the move are more than your actual moving expenses, include the excess amount on Schedule CA (540 or 540NR), line 7, column C. **Do not** complete form FTB 3596.

How to Complete Form FTB 3596. If your total reimbursements and allowances are less than your actual moving expenses, complete Part II of form FTB 3596 using your actual expenses. **Do not** reduce your expenses by any reimbursements or allowances you received from the government in connection with the move. Also, do not include any expenses for moving services that were provided by the government. If you and your spouse and dependents are moved to or from different locations, treat the moves as a single move.

Next, complete line 16 through line 18 of form FTB 3596. Then, read the instructions for line 19 on page 3 to figure your California moving expense deduction.

D Qualified Retirees or Survivors Living Outside the United States

If you are a retiree or survivor who moved to a home in the U. S. or its possessions and you meet the requirements below, you are treated as if you moved to a new workplace located in the U. S. You are subject to the distance test and other limitations explained on form FTB 3596. Use this form instead of federal Form 3903-F to figure your California moving expense deduction.

Retirees. You may deduct moving expenses for a move to a new home in the U. S. when you actually retire **if** both your old principal workplace **and** your old home were outside the U. S.

Survivors. You may deduct moving expenses for a move to a new home in the U. S. if you are the spouse or dependent of a person whose principal workplace at the time of death was outside the U. S. In addition, the expenses must be for a move (1) that begins within 6 months after the decedent's death, and (2) from a former home outside the U. S. that you lived in with the decedent at the time of death.

E Deductible Moving Expenses

You may deduct most of the reasonable expenses you incur in moving your family and dependent household members. These include the following:

- costs to move to the new location (Part II, Sections A and B);
- pre-move househunting expenses and temporary quarters once you arrive in the new location (Part II, Section C); and
- certain qualified real estate expenses (Part II, Section D);

You **may not** deduct expenses of a loss on the sale of your home, mortgage penalties, refitting draperies and carpets, or canceling club memberships. Do not deduct expenses for employees such as a servant, governess, or nurse.

F Reimbursements and Moving Expense Adjustment

California includes in gross income the amount of reimbursement for moving expenses you received from your employer. Enter the reimbursement amount on Schedule CA (540 or 540NR), line 7, column C. The reim-

bursement amount should be shown on Form W-2, box 13 (code P).

Also, if you deducted moving expenses on federal Form 1040, line 24, you must enter that amount on Schedule CA (540 or 540NR), line 24, column B.

G Meal Expenses

Only 50% of your meal expenses during the move are deductible. This limit is figured on line 7 and line 12.

H No Double Benefits

You may not take double benefits. For example, you may not use the moving expenses on line 14 that are part of your moving expense deduction to lower the amount of gain on the sale of your old home. In addition, you may not use the moving expenses on line 15 that are part of your moving expense deduction to add to the basis of your new home. Use federal Form 2119, Sale of Your Home, to figure the gain, if any, you must report on the sale of your old home and the adjusted basis of your new home.

Specific Instructions

Part II California Moving Expenses

Line 4 – Enter the actual cost to pack, crate, and move your household goods and personal effects. You may also include the cost to store and insure household goods and personal effects within any period of 30 days in a row after the items were moved from your old home and before they were delivered to your new home.

Line 5
& Line 6 – Enter the costs of travel from your old home to your new home. These include transportation, meals, and lodging on the way. Include costs for the day you arrive. Report the cost of transportation and lodging on line 5. Report your meal expenses separately on line 6. Although not all the members of your household have to travel together or at the same time, you may only include expenses for one trip per person.

If you use your own car(s), you may figure the expenses by using either:

- actual out-of-pocket expenses for gas and oil, or
- mileage at the rate of 9 cents a mile.

You may add parking fees and tolls to the amount claimed under either method. Keep records to verify your expenses.

Line 9
through
Line 11 – Enter the costs of travel to look for a new home before you move and temporary quarters expenses after you move. Report pre-move househunting travel and lodging on line 9, temporary quarters expenses on line 10, and the combined costs of meals on line 11.

Pre-move househunting expenses are deductible only if you meet all 3 of the following tests:

- took the trip after you got the new job; **and**
- returned to your old home after looking for a new one; **and**
- traveled to the new work area primarily to look for a new home.

There is no limit on the number of househunting trips you may take and you do not have to be successful in finding a home to qualify for this deduction. If you used your own car, figure transportation costs as explained in the instructions for line 5 and line 6. If you are self-

employed, you may deduct househunting costs **only** if you had already made substantial arrangements to begin work in the new location.

You may deduct the cost of meals and lodging while occupying temporary quarters in the area of your new workplace. Include the costs for any period of 30 days in a row after you get the new job, but before you move into permanent quarters. If you are self-employed, you may count these expenses **only** if you had already made substantial arrangements to begin work in the new location.

Line 14
& Line 15 – Enter your qualified real estate expenses. Also, check the appropriate box, **a** or **b**. You may include most of the costs to sell or buy a home or to settle or get a lease. Examples of expenses you **may** include are:

- sales commissions;
- advertising costs;
- attorney's fees;
- title and escrow fees;
- state transfer taxes;
- costs to settle an unexpired lease such as attorney's fees, real estate commissions, or amounts paid to the lessor; or
- fees or commissions to get a lease, sublease, or an assignment of a lease.

Examples of expenses you **may not** include are:

- costs to improve your home to help it sell;
- charges for payment or prepayment of interests; or
- payments or prepayments of rent (including security deposits) to get a new lease.

Part III Dollar Limits and California Moving Expense Deduction

Line 16
& Line 18 – The dollar limits on these lines apply to the total expenses **per move** even though you may claim expenses related to the same move in more than one year.

If both you and your spouse began work at new workplaces and shared the same new home at the end of 1994, you must treat this as one move rather than two. If you file separate returns, each of you is limited to a total of \$750 on line 16, and to a total of \$1,500 on line 18.

If both you and your spouse began work at new workplaces but each of you moved to separate new homes, this is treated as two separate moves. If you file a joint return, line 16 is limited to a total of \$3,000, and line 18 is limited to a total of \$6,000. If you file separate returns, each of you is limited to a total of \$1,500 on line 16, and a total of \$3,000 on line 18.

Note: If you checked box **a** on line 14, any amount on line 14 that you cannot deduct because of the dollar limit should be used on federal Form 2119 to decrease the gain on the sale of your old home. If you checked box **a** on line 15, use any amount on line 15 that you cannot deduct because of the dollar limit to increase the basis of your new home.

Line 19 – If you are a member of the armed forces, add the amounts on line 4, line 8, and line 18. From that total, subtract the total reimbursements and allowances you received from the government in connection with the move. If the result is more than zero, enter the result on line 19 and on Schedule CA (540 or 540NR), line 36.