

Moving Expenses (relocation of “tax home”). As a result of tax law changes effective January 1, 2018, all moving and relocation expense reimbursements, whether paid directly to an individual employee or paid indirectly on the employee’s behalf to a third-party vendor, will be considered taxable income to the employee and will have to be reported as income to the employee on Form W-2 in the year the reimbursement is made. Refer to the T&E policy at https://controller.nd.edu/assets/93684/travelpolicy_current.pdf on pages 4 and 26 and/or the Department of Human Resources website at <https://hr.nd.edu/nd-faculty-staff/forms-policies/moving-and-relocation/>.

Travel Expenses (travel away from “tax home”). An individual can receive a tax-free reimbursement if the expenses are incurred for temporary travel on business away from the general area of the employee’s tax home requiring an overnight stay. An assignment is generally considered temporary if it is expected to last one year or less. Travel expenses include transportation, baggage, car, lodging and meals but do not include moving of household goods.

For a position where the relocation could be considered a move or meets the requirements of business travel, you are required by the IRS to decide whether the travel represents a move/relocation OR business travel. In other words, you cannot treat some of the expenses as temporary living and some of the expenses as moving. If you treat the travel as a move, payment of moving expense represent a taxable fringe benefit to the employee. If you treat the travel as temporary living, you can reimburse the transportation, lodging and meals on a tax-free basis but the moving of household goods would be a taxable fringe benefit.