

# 1995 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

**Caution:** 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.

## Part I Reimbursement Adjustment

**Caution:** Members of the armed forces, see General Instruction C before completing the rest of this form.

- 1 Enter the amount from your federal Form 3903 (or Form 3903-F), line 6 . . . . . **1** \_\_\_\_\_
- 2 Enter the amount from your federal Form 3903 (or Form 3903-F), line 7 . . . . . **2** \_\_\_\_\_

**3 Is line 1 equal to or more than line 2?**

- Yes.** Enter the amount from line 2 on Schedule CA (540 or 540NR), line 7, column C.
- No.** If line 1 is less than line 2, enter the amount from line 1 on Schedule CA (540 or 540NR), line 7, column C.

## Part II Distance Test

**Caution:** Members 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 \_\_\_\_\_

- 4 Enter the number of miles from your **old home** to your **new workplace** . . . . . **4** \_\_\_\_\_ miles
- 5 Enter the number of miles from your **old home** to your **old workplace** . . . . . **5** \_\_\_\_\_ miles
- 6 Subtract line 5 from line 4. If less than zero, enter -0- . . . . . **6** \_\_\_\_\_ miles

**7 Is line 6 at least 35 miles?**

- Yes.** Go to Part III. Also see **Time Test** in the instructions.
- No.** You **cannot** deduct your moving expenses. Do not complete the rest of this form.

## Part III California Moving Expenses

### Section A — Transportation of Household Goods

- 8 Transportation and storage expenses of household goods and personal effects. See instructions. . . . . **8** \_\_\_\_\_

**Caution:** Members of the armed forces, see instructions.

### Section B — Expenses of Moving From Old To New Home

- 9 Travel and lodging expenses of moving from your old home to your new home **not** including meals. See instructions . . . . . **9** \_\_\_\_\_
- 10 Total meals expense. See instructions. . . . . **10** \_\_\_\_\_
- 11 Multiply line 10 by 50% (.50). . . . . **11** \_\_\_\_\_
- 12 Add line 9 and line 11 . . . . . **12** \_\_\_\_\_

**Caution:** Members of the armed forces, see instructions.

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

- 13 Pre-move travel and lodging expense **not** including meals. See instructions. . . . . **13** \_\_\_\_\_
- 14 Temporary quarters expenses **not** including meals. See instructions . . . . . **14** \_\_\_\_\_
- 15 Total meal expenses for both pre-move househunting and temporary quarters. See instructions . . . . . **15** \_\_\_\_\_
- 16 Multiply line 15 by 50% (.50). . . . . **16** \_\_\_\_\_
- 17 Add line 13, line 14, and line 16. . . . . **17** \_\_\_\_\_

### Section D — Qualified Real Estate Expenses See instructions.

- 18 Expenses of (check one)
 

<b>a</b> <input type="checkbox"/>	selling or exchanging your old home, or	}	. . . . . <b>18</b> _____
<b>b</b> <input type="checkbox"/>	if renting, settling an unexpired lease		
- 19 Expenses of (check one)
 

<b>a</b> <input type="checkbox"/>	buying your new home, or	}	. . . . . <b>19</b> _____
<b>b</b> <input type="checkbox"/>	if renting, getting a new lease		

**20 Are you a U.S. citizen or resident alien who moved to a new principal place of work (workplace) outside the U.S. or its possessions?**

- Yes.** Skip Side 2, Part IV and go to Part V.
- No.** Go to Side 2, Part IV. Do not complete Part V.

**Part IV Dollar Limits and California Moving Expense Deduction for Moves Made Within the U.S. or Its Possessions**

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

<b>21</b>	Enter the <b>smaller</b> of:		
	• The amount on line 17, or		
	• \$1,500 (\$750 if married filing a separate return and at the end of 1995 you lived with your spouse who also started work in 1995) . . . . .	<b>21</b>	_____
<b>22</b>	Add line 18, line 19, and line 21. . . . .	<b>22</b>	_____
<b>23</b>	Enter the <b>smaller</b> of:		
	• The amount on line 22, or		
	• \$3,000 (\$1,500 if married filing a separate return and at the end of 1995 you lived with your spouse who also started work in 1995) . . . . .	<b>23</b>	_____
	<b>Caution:</b> Members of the armed forces, see instructions.		
<b>24</b>	<b>California moving expense deduction.</b> Add line 8, line 12, and line 23. Enter the total here and on Schedule CA (540 or 540NR), line 36. . . . .	<b>24</b>	_____

**Part V Dollar Limits and California Moving Expense Deduction for Moves Made Outside the U.S. or Its Possessions**

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

<b>25</b>	Enter the <b>smaller</b> of:		
	• The amount on line 17, or		
	• \$4,500 (\$2,250 if married filing a separate return and at the end of 1995 you lived with your spouse who also started work in 1995). . . . .	<b>25</b>	_____
<b>26</b>	Add line 18, line 19, and line 25. . . . .	<b>26</b>	_____
<b>27</b>	Enter the <b>smaller</b> of:		
	• The amount on line 26, or		
	• \$6,000 (\$3,000 if married filing a separate return and at the end of 1995 you lived with your spouse who also started work in 1995). . . . .	<b>27</b>	_____
	<b>Caution:</b> Members of the armed forces, see instructions.		
<b>28</b>	<b>California moving expense deduction.</b> Add line 8, line 12, and line 27. Enter the result here and on Schedule CA (540 or 540NR), line 36. . . . .	<b>28</b>	_____

# 1995 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; or
- You are a U.S. citizen or resident alien who moved to a new principal place of work (workplace) **outside** the U.S.

#### 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 1995 even if you have not met the time test before your 1995 return is due. You may do this if you expect to meet the 39-week test by the end of 1996 or the 78-week test by the end of 1997. If you deduct your moving expenses on your 1995 return but **do not** fulfill the time test, you will have to either:

- amend your 1995 tax return by filing Form 540X, Amended Individual Income Tax Return; or
- report the amount of your 1995 moving expense deduction that reduced your 1995 income tax as income in the year you cannot meet the test.

If you do not deduct your moving expenses on your 1995 return and you later meet the time test, you may take the deduction by filing an amended return for 1995. 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.

**How to Complete Form FTB 3596.** Skip Part I and Part II. Complete Part III using your actual expenses. **Do not** reduce your expenses (other than line 8) 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.

If you moved to a new principal place of work (workplace) **within** the U.S. or its possessions, complete Part IV. Then read

the instructions for line 23 on page 4 to figure your California moving expense deduction.

If you moved to a new principal place of work (workplace) **outside** the U.S. or its possessions, complete Part V. Then, read the instructions for line 27 on page 4.

#### D Qualified Retirees or Survivors Living Outside the U.S.

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 in Part II, Part III and Part IV.

**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 III, Section A and Section B);
- pre-move househunting expenses and temporary quarters once you arrive in the new location (Part III, Section C); and
- certain qualified real estate expenses (Part III, 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 Meal Expenses

Only 50% of your meal expenses during the move are deductible. This limit is figured on line 11 and line 16.

#### G No Double Benefits

You may not take double benefits. For example, you may not use the moving expenses on line 18 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 19 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 III California Moving Expenses

**Line 8** – 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.

**Members of the armed forces:** Only include expenses in excess of reimbursements which are **not** included in gross income.

**Line 9 &**

**Line 10** – 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 9. Report your meal expenses separately on line 10. 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 12 – Members of the armed forces:** Only include expenses in excess of reimbursements which are **not** included in gross income.

**Line 13 through**

**Line 15 –** 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 13, temporary quarters expenses on line 14, and the combined costs of meals on line 15.

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 9 and line 10. 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 18 &**

**Line 19 –** 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 IV Dollar Limits and California Moving Expense Deduction For Moves Made Within the U.S. or Its Possessions

**Line 21 &**

**Line 23 –** 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 21, and to a total of \$1,500 on line 23.

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 21 is limited to a total of \$3,000, and line 23 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 21, and a total of \$3,000 on line 23.

**Note:** If you checked the box on line 18a, any amount on line 18 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 the box on line 19a, use any amount on line 19 that you cannot deduct because of the dollar limit to increase the basis of your new home.

**Members of the armed forces:** Take the smaller of line 22 or \$3,000 (\$1,500 if married filing a separate return and at the end of 1995 you lived with your spouse who also started work in 1995) and subtract reimbursements you received from the government for any of the following:

- Dislocation allowance;
- Temporary lodging allowance;
- Temporary lodging expense; or
- Moving-in housing allowance.

For more information, refer to 37 U.S.C. 404(a), 405 and 407. Enter the result on line 23. If zero or less, enter -0-.

## Part V Dollar Limits and California Moving Expense Deduction for Moves Made Outside the U.S. or Its Possessions

**Line 25 &**

**Line 27 –** 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 1 year.

If both you and your spouse began work at new workplaces and shared the same new home at the end of 1995, treat this as one move rather than two. If you file separate returns, each spouse is limited to a \$2,250 on line 25, and to \$3,000 on line 27.

If both you and your spouse began work at new workplaces, but each of you moved to separate new homes, treat this as two separate moves. If you file a joint return, line 25 is limited to \$9,000, and line 27 is limited to a total of \$12,000. If you file separate returns, each spouse is limited to \$4,500 on line 25, and \$6,000 on line 27.

**Note:** If you checked the box line 18a, decrease the gain on the sale of your old home on Form 2119 by the amount on line 18 that you cannot deduct because of the dollar limits. If you checked the box on line 19a, increase the basis of your new home by the amount on line 19 that you cannot deduct because of the dollar limits.

**Members of the armed forces:** Take the smaller of line 26 or \$6,000 (\$3,000 if married filing a separate return and at the end of 1995 you lived with your spouse who also started work in 1995) and subtract reimbursements you received from the government for any of the following:

- Dislocation allowance;
- Temporary lodging allowance;
- Temporary lodging expense; or
- Moving-in housing allowance.

For more information, refer to 37 U.S.C. 404(a), 405 and 407. Enter the result on line 27. If zero or less, enter -0-.