



Lesson Plan

Military Moving Expenses

Time Required: 30 minutes

Introduction	Objectives	Topics
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 Deductible Moving Expenses Reimbursements 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.

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

PPM: Personally Procured 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 PPM move, where the military provides a moving company to transport some of the service member's goods. Service members who receive PPM payments must include them in their gross income if the payments exceed the allowable expenses. Formerly known as a Do-It-Yourself (DITY) move.

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	Read the lesson introduction.	Link & Learn Taxes (L<) Military Moving Expenses
Provide details and engage the students	<p>Discuss all tips and cautions in detail.</p> <p>Ask students to read and/or role-play examples and sample interviews.</p>	<p>Internet: L&LT Military Moving Expenses</p>

Topic-specific Tips

Topic Name	Instructor Notes	Presentation Aids
Introduction	<p>Review lesson objectives.</p> <p>Review list of references.</p> <p>State the presentation time.</p>	<p>Visual:</p> <p>Form 1040</p> <p>Form 3903</p> <p>Pub 4012, Tab E, Adjustments</p>
Permanent Change of Station	<p>Prompt students to share what they know about reporting military moving expenses using the Landing Page questions.</p> <p>Review L&LT Permanent Change of Station topic.</p> <p>Emphasize that to deduct moving expenses, the taxpayer must be a member of the Armed Forces on active duty and the move is because of a permanent change of station.</p> <p>Point out 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>Visuals:</p> <p>Pub 3</p> <p>Internet:</p> <p>L&LT Military Moving Expenses, Permanent Change of Station</p>
Deductible Moving Expenses	<p>Review L&LT Deductible Moving Expenses topic.</p> <p>Point out that Form 3903 Instructions has detailed information on deductible and nondeductible expenses.</p> <p>Review the examples in Pub 521.</p>	<p>Visuals:</p> <p>Pub 3</p> <p>Form 3903 Instructions</p> <p>Internet:</p> <p>Tax Topics: Moving Expenses</p>

Reimbursements	<p>Review L&LT Reimbursements topic.</p> <p>Ask: What is a PPM? Answer: When Armed Forces members move their own household items in a personal or rented vehicle (Personally Procured Move).</p> <p>Ask: When an Armed Forces member receives reimbursement for a PPM, how do you know how much of it to report as taxable income? Answer: The service member receives a Form W-2 showing the taxable portion of the reimbursement.</p> <p>Review Table 2 excluded items from reimbursement in Pub 4012, Armed Forces Gross Income.</p>	<p>Visual: Form 1040</p> <p>Pub 4012, Tab D, Income:</p> <ul style="list-style-type: none">• Armed Forces Gross Income• How/Where to Enter Income
Reporting Moving Expenses	<p>Review L&LT Reporting Moving Expenses topic.</p> <p>Emphasize that taxpayers can claim the expenses in the year they paid the expenses or the year they were reimbursed.</p> <p>Point out that TaxSlayer calculates the standard mileage amount based on miles traveled for the move.</p> <p>Remind students that Form 3903 includes instructions for figuring deductible moving expenses.</p> <p>Demonstrate TaxSlayer click Form 3903 Moving Expenses or Adjustments page.</p>	<p>Visuals: Form 1040</p> <p>Form 3903</p> <p>Form 3903 Instructions</p> <p>Pub 4012, Tab E, Adjustments, Adjustments to Income</p> <p>TaxSlayer® Demo: Click on Deductions under Federal Section>Adjustments>Moving Expenses Form 3903.</p>
Skills Workout	<p>Review the lesson Certification Warm Up exercise questions with the class.</p>	<p>Visuals: L&LT Military Moving Expenses: Click Certification Warm Up icon to review the exercises</p>

References

Form 1040	Form 1040
Form 3903	Form 3903, Moving Expenses
Form 3903 Instructions	Form 3903 Instructions
Form 13614-C	Form 13614-C, Intake/Interview & Quality Review Sheet, Page 2
Pub 4012	Pub 4012, Volunteer Resource Guide, Tab E, Adjustments, and Tab D, Income Armed Forces Gross Income How/Where to Enter Income Adjustments to Income
Pub 3	Pub 3, Armed Forces Tax Guide

Optional

Form 1040 Instructions	Form 1040 Instructions, Moving Expenses
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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 to access Link & Learn Taxes Military Moving Expenses.



Certification Warm Up –Exercises

Click Certification Warm Up 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=0tNQR9Qc4s4>



TaxSlayer Tips and Resources for Lesson

TaxSlayer Training Video [Entering Adjusted Gross Income](#)

Practice Lab Tutorial

From the [Practice Lab](#):

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

ITA and FAQs for Lesson

Tax Topics

Moving Expenses

<http://www.irs.gov/taxtopics/tc455.html>



Practice Lab

Practice Lab

<https://vita.taxslayerpro.com/IRSTraining/>
