

CANADIAN RELOCATION SYSTEMS, "MOVING TIMES" JANUARY 2007

CLAIMING YOUR MOVING EXPENSES

Just imagine you and your family on a one-way trip to almost anywhere in the country, while someone else picks up most of the bills! There's no time limit on this amazing opportunity, and to cash in, all you need is a long-distance job offer and an income tax return.

This budget travel plan is also known as the moving expenses tax deduction. If you have to move to start a new job or your own business, the government will subsidize the cost of transporting you and your belongings through an income tax deduction hence allowing you to travel across Canada for next to nothing.

To collect your subsidy, simply go here and get the form:

<http://relocatecanada.com/revcanada.html>

to calculate the total of your allowable moving expenses, then claim that sum on Line 219 of your federal income tax return.

Of course, there are a few conditions. To qualify for the deduction, you must be moving to a home that's at least 40 km closer to your new workplace than your current residence. (You may also be able to claim moving expenses if you're traveling to enrol in a full-time, postsecondary educational program.

But if the reason for your change of address is to be closer to family, for medical reasons or to downsize in your retirement, you've got to pay your own way.

The good news is that if your move does qualify, the government will allow you to claim a long list of expenses. These include:

Reasonable travel costs, such as meals, lodging, airfare or automobile mileage for you and your family.

The cost to move your household belongings, including packing expenses, haulage, in-transit storage and insurance.

The cost of meals and temporary lodging for up to 15 days at either end

of your trip (handy if the house or apartment you're moving into isn't ready at the time of your move).

If you're a renter: lease cancellation at your former residence.

If you own: the cost of selling your former residence, including legal fees, real estate commissions and mortgage discharge penalty fees.

Legal fees incurred to purchase a home in your new area.

You should keep receipts for all of the moving expenses you incur, in case you are asked to back up your claim. However, there are two types of expenses you can log without paperwork: meals on the road and gas.

Driving is one of the easiest moving expenses to claim. Instead of trying to keep track of your gasoline bills, you can calculate your payback using a straight per-kilometre rate, as long as the vehicle you drive is your own. The beauty of this rule, which took effect in 1999, is its simplicity. Even if you traverse the country, you use only one rate to calculate your claim the rate that applies in the province you are leaving. If you were going from British Columbia (Vancouver) to Ontario (Toronto) the current rate is .45.5 cents/kilometer, with 4389Km you would claim \$ 1997.00. Consult your tax guide for other provincial rates.

There's also a flat rate to compensate you for the cost of food on your trip: claim \$15 per meal, or \$45 per day for each adult and child. For a family of three making the 4-day drive from Vancouver to Toronto, that adds up to \$540. If you think \$45 worth of pancakes, burgers and pie isn't going to satisfy your appetite: the flat rate is optional. If your meal costs top \$45 a day, hang on to your receipts and claim the actual amount you spent on your tax return.

There is no need to worry if you're unable to sell your old house immediately. As long as the house is empty and you have it on the real estate market, you can claim maintenance costs, including mortgage interest, property taxes, insurance and utilities, to a maximum of \$5,000.

For more information directly from Canada Customs and Revenue Agency go here:

<http://www.cra-arc.gc.ca/>

MOVING TIPS FROM A MOVER!

"We find that a lot of people forget to empty the secret hiding places in their homes or apartments prior to the move," says Mike Kolberg, President of Royal Moving. "Remembering the 'out of sight, out of mind' objects is typically the key to a successful and complete move."

Mike suggests adding these 10 points to the top of your moving preparation list:

1. For the record - Obtaining copies of your medical records, including your dentist, veterinarian and vaccine/immunization information can often be

overlooked. In some cases, a notarized letter is required to receive the official documentation;

2. For the record II - Your child's permanent school record cannot follow him or her through life if it's left behind. In addition, school records are usually required when registering your child at their new school. Often, copies will not be sufficient, and records with a raised seal will be necessary.
3. Old phone numbers -Pack phone books from your old town. You may think you'll remember the numbers you frequently call now, but more likely, you'll spend a small fortune on directory assistance charges to contact old friends or tie up loose ends.
4. Taken to the cleaners - Remember to complete transactions with local businesses (for example, picking up your dry cleaning).
5. Where you're moving to - In the flurry of preparing for the move, you may often forget your forwarding address - important information when forwarding periodicals and credit card bills, as well as keeping in touch with old friends. Always keep your new address handy in your wallet or purse.
6. Spic and span - Although your focus will be on your new home or apartment, you can't forget about preparing the old residence for your exit. Remember to leave out cleaning supplies for the final "once-over" before closing the door for good, or make arrangements in advance for a service to clean it for you.
7. The opener - Many people often forget to take the electric garage door opener out of their car before leaving. Remember to leave the opener for the new tenants or owners.
8. Remember Rover - In most cases, moving companies cannot transport animals or plants. Remember to make arrangements for their transfer, as well.
9. Bank on it - Many people forget to retrieve important documents from their safe deposit box. It is also wise to establish a checking account in your new town about a month prior to your move so that you have immediate access to your account.
10. Keys to success - The collection of spare house keys can often be forgotten. Whether it means getting them from neighbors who kept them, or retrieving them from under the rock next to the front door, don't forget to gather all sets before you depart.

TO MOVE OR NOT TO MOVE?

You're single, no family, job, pets, or car. Your possessions consist of the tent you live in and an air mattress. For you, moving is not a problem. Collapse the tent, grab the air mattress and look for a new patch of grass. Done.

For the rest of us, the term "moving" conjures up all kinds of negative reactions, because changing locations impacts all aspects of our

lives. Family (husband, wife, kids, parents), friends, job, home, possessions, school, medical relationships, finances, insurance, schedules and on and on. In short, a move changes everything. It's a life-changing event that engages all kinds of services and demands a multitude of decisions. The fact that it's not an everyday occurrence mandates that we end up in a passive role, allowing third parties and strangers to make decisions for us, assuming they know what is best. Wrong! I want you to be armed with specific information and proactive!

You have just found out you're moving, or you have decided you have to move. Don't panic, sit down and make a list of everything that will be impacted by the move. Keep it general; you'll think of more as the days pass.

The reason I want you to make a list is simple: time is both your greatest weapon, and your enemy. If you don't identify move related issues, and create your own agenda, before you know it you will either be going down to pick up that UHaul, or the movers will be banging on the front door.

By then, the bus is leaving, and you are just along for the ride. Your family: tell them about the move, the reasons, and seek their opinion and input. Especially the children..talk to them very early on. Do a general inventory of your stuff; what will go, what will stay. Decide how the move will be done: by you or by professionals? Investigate rental availability and cost if you are moving yourself.

Call different moving companies for estimates (on site) of cost, labor, and time. If at all possible, block out some free time 2 or 3 days before the move for last minute "gotta do's". In general, make as many decisions early on, and follow them to completion. Don't let the move date arrive by procrastinating! The more information you have, the better your decision making will be, but do it early!

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