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PAYROLL BULLETIN
(2-94)

To: All State Agencies, Departments, Boards, Commissions
and Universities

SUBJECT: Moving Expenses

Qualified moving expenses are any amount received by an employee from an employer as payment or reimbursement for expenses that would be deductible as moving expenses if directly paid or incurred by the employee. Beginning January 1, 1994, qualified moving expenses will no longer be included as taxable income on an employee's Form W-2. This means they will no longer be reported on the payroll voucher or magnetic tape. If a reimbursement for qualified moving expenses is made to or on behalf of an employee, the agency making the payment must notify the Comptroller's office in writing. The information needed is:

- a. Employee's name
- b. Employee's Social Security Number
- c. Amount of the payment
- d. Date the move was made

Send this information to the attention of Dan Steven. It will be used to comply with Internal Revenue Code fringe benefit reporting requirements.

Other Changes

The commuting distance between the employee's former residence and the new work location must increase by at least 50 miles, as measured by the shortest of the most commonly traveled routes. Previously it was 35 miles. In addition, reporting the employee moving expense information on Form 4782 is no longer required. Qualified expenses will be limited to the cost of moving and traveling from the old to the new residence. Deduction of the costs of meals consumed while traveling, living in temporary quarters, and the cost of selling the employee's old residence and buying a new residence will no longer be deductible.

If you have reported qualified moving expenses in 1994 in field 52 of the payroll voucher, they must be reversed. This can be done by entering a negative amount in that field and in magnetic tape positions 370 through 376 (S9(5)V99). Be sure the negative amount does not exceed the original amount reported. The Comptroller's office must then be notified in writing giving the information listed above.

Questions regarding this bulletin should be referred to Dan Steven or Nancy Smith at (217) 782-4758.