

We can see that many costs are deductible, even notary fees and property transfer tax for the new residence can be deducted if the former residence is sold and a new residence is acquired!

#### A gift from out of the blue...

Note that people who have moved in recent years and were eligible for these deductions but failed to claim them, can apply to Canada Revenue and Revenu Québec for retroactive reimbursement, provided not more than 10 years have passed between the moving year and the claim year.

#### Last technical points

If you paid a fee during one of the years after your move, you can now deduct that cost from your income of the year you paid it.

Your deduction cannot exceed your income at your new workplace. You can report any unused portion over the following years or until your new workplace income allows the deduction. Note that the move does not need to have taken place in the same year that your workplace changed, but must have occurred as a result of the workplace change.

**Add up all your possible tax deductions  
and imagine the big tax refund  
you could receive!**



**Do not hesitate to call your RE/MAX broker!**

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Your RE/MAX broker

Tax forms to be filed with your statements:

Federal: T-1M Provincial: TP-348

This information leaflet has been prepared by RE/MAX Québec inc. in collaboration with Pierre Vary, Financial Advisor, Investors Group Laval.

NB: This document does not constitute legal advice and should not be interpreted as such. This information is based on current tax legislation as of October 1, 2009.

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## A SMART MOVE!

These days it's becoming more common that people need to relocate to a another community after getting a new job or being transferred (voluntarily or not) by their current or future employer to a different location.

For practical reasons, these people will probably sell their home to move closer to the new workplace. That could be a good move...

**In fact, the real estate broker's retribution, as well as all moving costs could be fully deductible from income made at the new workplace!**

### Here's a closer look at the rules...

Federal and provincial tax regulations say that when an individual moves his or her residence within Canada due to a new workplace or because they will open a business in a new location, they can deduct eligible moving expenses, including the real estate broker's retribution, as long as the new residence (house, rented apartment, condo, etc.) is at least 40 kilometres from the new workplace (whether it's full-time or part-time work).



### John and Nicole's story

John and Nicole live in Sainte-Thérèse, on the north shore of Montreal. After John received a tempting job offer, they decided to sell their home in Sainte-Thérèse and move to Brossard on the south shore of Montreal, close to John's new workplace.

#### The necessary calculation goes like this:

- Distance between:

Their former residence (Sainte-Thérèse)  
and the new workplace (Brossard) = 48 km

#### Less

- Distance between:

Their new residence (Brossard)  
and the new workplace (Brossard) = 3 km

- Difference: 45 km

Since the difference is 40 kilometres or more, John can deduct all moving expenses, including the real estate broker's retribution, from the income he will earn at his new workplace.

**Note: if the difference is less than 40 km, those costs would not be deductible.**

Distances are calculated using the shortest route by road. In some situations, referring to mapquest.com could be very useful.

### Which moving costs are eligible for deduction?

According to the tax regulations, eligible moving expenses include:

- Costs relating to the sale of a former residence, including the real estate broker's retribution, notary or lawyer fees and any penalties related to the prepayment of a mortgage. However, property improvements to help the sale and any losses incurred from the sale are not eligible.
- Legal fees and property transfer tax related to the purchase of a new residence, provided that the taxpayer or spouse sells or has sold the previous residence because of the move.
- Costs of transporting and storing furniture.
- Costs of meals and temporary accommodations, for a maximum of 15 days, near the old or new residence.
- And numerous other costs...

Costs (other than the fees mentioned above) related to the acquisition of a new residence are not deductible.

Obviously, any costs paid by the employer are not deductible. However, a very advantageous tax strategy can be established between the employer and the employee concerning the costs that the employer should pay first.

**Ask your RE/MAX broker for more information on this subject.**