



What expenses can you deduct when moving from province to province?

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Amid the chaos and stress of moving from one province to another, the last thing on most people's minds is how their family's relocation will affect their tax return.

However, Canada Revenue Agency offers a [long list of eligible tax deductions](#) related to moving to help offset the costs.

The average cost of relocation was about \$73,500 in 2017, up 29 per cent from 2015, according to the Canadian Employee Relocation Council.

Much of that increase can be attributed to soaring home sale prices, which result in equally steep real estate commissions.

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Stephen Cryne, president of the Canadian Employee Relocation Council, says finding a replacement home in a more expensive city is a big worry for people considering a move, 'particularly if they've got families.'

RYAN REMIORZ/THE CANADIAN PRESS

“That’s a growing issue and it’s a key factor for people who are looking at the quality of lifestyle, particularly if they’ve got families,” he said in an interview.

Bryan Borzykowski and his family are among the 300,000 Canadians who endure an interprovincial move each year.

The freelance journalist was able to absorb some of the anxiety by cashing in on Toronto’s pricey housing market to return to the relative affordability of his hometown in Winnipeg.

“It was a difficult decision but we decided to do it to be close to family,” he said in an interview.

According to Aaron Gillespie, tax partner with KPMG in Hamilton, the most common error people make is not being aware of everything they can claim.

Eligible moving expenses include real estate commissions and legal fees, transportation and storage costs, travel expenses including meals, temporary living expenses, utility hookup and disconnections, mortgage interest, property taxes and insurance premiums.

Deductions are valid as long as the move takes the employee 40 kilometres closer to their new work location.

Expenses can't be deducted for items including work done to make your home more salable, any losses from the sale, travel expenses for house-hunting, value of items you left behind, repairs on rented homes, replacement of personal items such drapes and carpets and mail-forwarding.

"I think these rules are fairly generous in favour of the taxpayer," Mr. Gillespie said.

Moving between provinces can also have income tax consequences. Moving from a low-tax province to one with a higher marginal tax rate can eat away at an employee's take-home pay.

Very few people think twice about relocating based on these interprovincial tax differences, says Lisa Hulet, vice-president of business development for Sirva Worldwide Relocation & Moving.

Tax differentials are important for international moves, but housing costs and family considerations are bigger issues for interprovincial relocations, she said.

"There are people who get excited about going to Alberta because there's no sales tax, but I haven't heard the opposite," she said.

Do-it-yourself moving is growing in popularity with more tools available to help, but relocation specialists urge people to take caution in selecting movers, especially those not associated with a van line.

While some companies offer complete moving packages, an increasing number are instead offering lump sums, said Michael Deane, vice-president, client services for All Points Relocation Service Inc.

Those who want to move largely for personal reasons can save money by doing some of the heavy lifting themselves.

"Moving yourself in a U-Haul compared [with] moving with a mover is drastically less expensive," Mr. Deane said.