



OFFICE OF THE EXECUTIVE VICE PRESIDENT—
CHIEF FINANCIAL OFFICER

OFFICE OF THE PRESIDENT
1111 Franklin Street, 10th Floor
Oakland, California 94607-5200

January 22, 2018

**CHANCELLORS
VICE CHANCELLORS BUDGET & PLANNING
VICE CHANCELLORS ADMINISTRATION
PROVOSTS**

Subject: Taxability of Moving Expense Reimbursement Effective January 1, 2018

The Tax Cuts and Jobs Act (P.L. 115-97) that was signed into law on December 22, 2017 impacts the taxability of moving expense reimbursements provided by an employer. Reimbursements for moving expenses made to employees or paid directly to third parties by the employer on and after January 1, 2018 are included in wage income subject to federal income tax withholding, and FICA.¹

Please note that California is one of a few states that utilize a selective approach to conformity with changes to the Internal Revenue Code. The Franchise Tax Board has not yet published conforming Internal Revenue Code sections as of January 1, 2018 for state income tax purposes.

We are awaiting further guidance from the IRS and will discuss policy changes with appropriate campus stakeholders during the next few months. Business and Finance Bulletin G-13, *Policy and Regulations Governing Moving and Relocation*, will be revised to reflect any policy changes resulting from the impact of tax reform legislation at the next update. If you have any questions, please call John Barrett at (510) 987-0903.

A handwritten signature in black ink that reads "Nathan Brostrom".

Nathan Brostrom
Executive Vice President and
Chief Financial Officer

cc: Campus Controllers
Chief Human Resource Officers
Provost and Executive Vice President Brown
Executive Vice President-COO Nava

¹ P.L. 115-97 added new IRC section 132(g)(2) suspends qualified moving expense reimbursement for taxable years 2018 through 2025 except in the case of a member of the U.S. Armed Forces who moves pursuant to a military order.

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