



November 17, 2017

The Honorable Paul Ryan  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

Dear Speaker Ryan,

On behalf of the members of the American Moving & Storage Association and Worldwide ERC®, we urge you to restore the Moving Expense Deduction which is slated for elimination in the current House and Senate versions of H.R. 1, the Tax Cuts and Jobs Act. This deduction is a vital tax relief tool that makes relocation for work more affordable and supports worker mobility - the lynchpin of a strong economy ([See Cordes and Steuerle, “Tax Treatment of Moving Costs,” August 30, 2017](#)) - and a moving industry that supports 480,000 jobs annually.

The Moving Expense Deduction was first established by Congress in 1964 and has enjoyed bipartisan support ever since. In its present form, the deduction is already severely limited as to eligible costs, and is subject to stringent tests that limit its use to those employees moving substantial distances for legitimate business reasons. Specifically, it can only be claimed on an individual's (or an employer's) costs to move more than 50 miles for a full-time job. For over a half century, Congress has maintained its support of this permanent deduction because it incentivizes beneficial behavior – finding work! It is estimated to provide \$10.6 billion in tax relief over 10 years which is significant to those businesses and individuals involved in a relocation but a small price to help facilitate the mobility of our workforce as a key component of our economy.

American businesses pay to relocate well in excess of 450,000 employees per year. This deduction makes relocating these employees more affordable and maintains a mobile workforce for fledgling industries in each state to compete for workers. An average personal tax return that claims the deduction saves around \$3,000, which is a significant amount for a middle-class taxpayer who is absorbing much of the costs of a move. The vast majority of businesses, however, also pay any additional tax costs incurred by the employee in the relocation. The average business paying to relocate an employee will spend over \$14,500 per worker just for the limited items that are currently deductible. Repeal of the deduction will cost those businesses some \$2 billion per year in extra employee tax protection costs. The net effect of these dramatic cost increases, if the deduction is repealed, would be fewer workers moving to where the jobs are located.

Preserving the Moving Expense Deduction will help:

1. Middle Class – Over 75 percent of taxpayers who claim the deduction earn under \$100,000 per year with only 7 percent by taxpayers earning over \$200,000. The majority of corporate transferees earn between \$90,000 and \$130,000;
2. Small Businesses – Growing companies will have much lower costs if they pay to move a new hire;



3. U.S. Taxpayers – If the deduction goes away, U.S. businesses will spend up to \$2 billion per year more, and federal agencies will spend approximately \$150 million more per year moving employees; and,
4. Moving Companies – Over 75 percent of the American Moving and Storage Association members are small businesses that support 480,000 jobs, yet have seen a 27 percent decline in business since the housing collapse in 2008.

The Moving Expense Deduction has always enjoyed bipartisan support in Congress. Yet, the deduction is currently slated for repeal to help pay for an overall decrease in income and corporate tax rates. Unfortunately, doing so would actually hurt the very people the decreased rates are intended to help. Middle class workers would be less likely to relocate due to the significantly increased lump sum cost to move. In turn, American businesses would experience severe cost increases to move their workforces.

Again, we request that you help job seekers and employees being relocated by protecting the Moving Expense Deduction. This is a vital tool that helps over a million Americans per year pursue a better life for themselves and their families, while ensuring that companies have the necessary staff they need for their business.

Sincerely,

A handwritten signature in black ink that reads "Scott Michael".

Scott Michael  
President & CEO  
American Moving & Storage Association

A handwritten signature in black ink that reads "Peggy Smith".

Peggy Smith, SCRP, SGMS-T  
President & CEO  
Worldwide ERC®

The American Moving & Storage Association is the national trade association for the professional moving industry. Based in the Washington, D.C., area, AMSA's mission is to represent the interest of the domestic and international moving and storage industry and to help the customers it serves. AMSA represents approximately 4,000 members, including interstate moving and storage companies, local movers, international movers plus industry suppliers and state association members.

Worldwide ERC® is the professional association for employee mobility professionals. Since 1964, Worldwide ERC® has been committed to connecting and educating workforce mobility professionals across the globe. A global not-for-profit organization, we are headquartered in Washington, D.C., with offices in London and Shanghai, and are the source of global mobility knowledge and innovation in talent management from Europe, the Middle East and Africa, to Asia and across the Americas.