***Chamberlin v. Commissioner, 78 T. C. 1136 (1982)***

Military personnel can deduct moving expenses for moves pursuant to military orders incident to retirement, but only for the move to the location where they are still on active duty.

**Summary**

In Chamberlin v. Commissioner, Alton Chamberlin, a retiring Air Force officer, moved from Hawaii to California and then to New Mexico. The issue was whether he could deduct his moving expenses under section 217 of the Internal Revenue Code. The Tax Court held that Chamberlin could deduct expenses for the move from Hawaii to California, where he was on active duty, but not for the subsequent move to New Mexico, where he did not commence work. The decision clarified that the commencement-of-work requirement applies to retiring military personnel, but they are exempt from time and distance limitations under section 217(g).

**Facts**

Alton E. Chamberlin, an Air Force officer, was stationed in Hawaii in 1976 when he decided to retire. Unsure of his post-retirement residence, he requested and received orders to transfer to Travis Air Force Base in California for processing. He moved to California, stayed for one week on active duty, and then moved to Roswell, New Mexico, upon retirement. Chamberlin incurred unreimbursed moving expenses of $1,576. 50 from Hawaii to California and $1,662. 55 from California to New Mexico. He claimed a deduction for these expenses on his 1976 tax return, which the Commissioner disallowed in full.

**Procedural History**

The Commissioner of Internal Revenue determined a deficiency in Chamberlin's 1976 federal income tax and disallowed his moving expense deduction. Chamberlin petitioned the United States Tax Court for a redetermination of the deficiency. The Tax Court heard the case and issued its decision on June 23, 1982.

**Issue(s)**

1. Whether Chamberlin can deduct moving expenses under section 217 for the move from Hawaii to California and the subsequent move from California to New Mexico.
2. Whether the commencement-of-work requirement of section 217(a) applies to retiring military personnel.

**Holding**

1. Yes, because Chamberlin was on active duty at Travis Air Force Base in California, he can deduct the moving expenses from Hawaii to California. No, because Chamberlin did not commence work in New Mexico, he cannot deduct the

© 2025 SCOTUSreports.com. All rights reserved. 

moving expenses from California to New Mexico.
2. Yes, because section 217(g) does not exempt retiring military personnel from the commencement-of-work requirement of section 217(a).

**Court’s Reasoning**

The court applied section 217(a), which allows a deduction for moving expenses incurred in connection with the commencement of work at a new principal place of work. The court found that section 217(g) exempts military personnel from the time and distance limitations under section 217(c) but not from the commencement-of-work requirement. Chamberlin was still on active duty and paid for his services in California, thus satisfying the commencement-of-work requirement for the move from Hawaii to California. The court rejected the argument that the moves should be treated as one continuous move, as California was Chamberlin’s new principal place of work. The court noted that section 217(i), which could have applied to Chamberlin’s situation, was not effective until after 1977 and did not apply to moves from within the United States. The court also distinguished this case from Nico v. Commissioner, where the taxpayers had commenced work at both locations.

**Practical Implications**

This decision clarifies that military personnel can deduct moving expenses for moves made pursuant to military orders incident to retirement, but only for the move to the location where they remain on active duty. Attorneys advising military clients should ensure that clients document their active duty status at the new location to support a deduction. The decision also highlights the importance of distinguishing between multiple moves and ensuring that the commencement-of-work requirement is met at each location. Subsequent cases have cited Chamberlin for its interpretation of section 217(g) and the treatment of multiple moves by military personnel. Practitioners should be aware that changes in tax law, such as section 217(i), may affect the deductibility of moving expenses for retirees in the future.

© 2025 SCOTUSreports.com. All rights reserved. 