

**Temporary Duty (TDY) Travel Allowances**

**§ 301-11.635**

receive an allowance to cover the taxes assessed on the ITRA under §301-11.628.

**§ 301-11.626 May I receive a lump sum payment of the additional tax liability on the covered ITRA in lieu of submitting another claim?**

Yes, if agreed to in writing by your agency and with the understanding that you will be responsible for any income taxes due without further reimbursement.

**§ 301-11.627 If I elect a lump sum payment, how is the ITRA paid?**

(a) Reimbursement is as illustrated:

LUMP SUM ITRA TAX PAID TO EMPLOYEE	
ITRA reimbursement for tax year 1995 ....	\$14,435
Federal Tax liability on ITRA Reimbursement (@ 28%) .....	4,042
VA State tax liability (@ 5.75%) .....	830
Local tax liability .....	0
<b>Total reimbursement .....</b>	<b>19,307</b>

(b) Reimbursement of the ITRA and tax on the ITRA is a final lump sum payment with no further reimbursement. You will be responsible for any income taxes due on \$19,307.

**§ 301-11.628 If I do not elect lump sum payment is there any additional reimbursement?**

Yes. You are reimbursed for the tax on the tax reimbursement received. Your agency will calculate the tax on the tax reimbursement using the formulas developed for the Year 2 reimbursements of the relocation income tax allowance (see §302-11.8 of this title).

**AGENCY RESPONSIBILITIES**

**§ 301-11.631 What documentation must the employee submit to substantiate a claim?**

You must determine what documentation you require to be submitted with the employee's claim. It may include:

(a) A certified statement as prescribed in §302-11.10 of this title or a copy of the employee's completed Federal, State and local tax return for the tax year in which the taxes were withheld and paid.

(b) Copies of W-2's and Form 1099's; and

(c) Any other documentation necessary to substantiate your claim.

**§ 301-11.632 How should we compute the employee's ITRA?**

You should follow the procedures prescribed for the relocation income tax allowance, see §302-11.7, §302-11.8 and Appendices A, B, C, and D to part 302-11 of this title or as illustrated in §301-11.535.

**§ 301-11.633 Are tax penalty and interest payments reimbursable?**

No. The reimbursement of penalty and/or interest payments assessed by the IRS is limited by law to tax years 1993 and 1994 only.

**§ 301-11.634 What tax tables should we use to calculate the amount of allowable reimbursement?**

The tax tables for the year the tax was incurred are to be used.

**§ 301-11.635 How should we calculate the ITRA?**

Use the documents prescribed in §301-11.631 to calculate the ITRA as follows:

(a) Determine Federal, State and local marginal tax rates by using the procedures and the marginal tax tables established for the relocation income tax allowance in §302-11.7, §302-11.8 and Appendices A, B, C and D to part 302-11 of this title, or

(b) As calculated in the following illustration.

Example of calculating an employee's tax return using the marginal tax rate schedules in Appendix B to part 302-11 of this title:

FOR TAX YEAR 1995 AND THEREAFTER  
[MARRIED FILING JOINT RETURN]

	Original	Recalculated
1. Adjusted Gross Income (w/ travel reimbursement): .....	\$75,246	\$75,246
2. Subtract travel reimbursement: .....		(15,482)
3. Subtract personal exemptions and itemized or standard deductions .....	(12,689)	(12,689)

FOR TAX YEAR 1995 AND THEREAFTER—Continued  
[MARRIED FILING JOINT RETURN]

	Original	Recalculated
4. Adjusted taxable income .....	62,557	47,075
5. Tax liability on adjusted taxable income:		
a. Federal (28%) .....	17,516	*7,061 (15%)
b. State, VA (5.75% tax bracket) .....	3,597	2,707
c. Local: Not applicable .....	0	0
d. Total .....	21,113	9,768
6. Difference of total of column 1 minus total of column 2: Additional Taxes Incurred due to travel reimbursement—\$11,345		
Total = ITRA—\$11,345**		

\*Adjusted taxable income places employee in lower tax bracket.  
\*\*The ITRA reimbursement is taxable income for the year in which paid at the appropriate Federal, State and local income tax rates.

**§ 301-11.636 Is the ITRA reimbursement considered to be income to the employee?**

Yes. The ITRA reimbursement is considered taxable income in the year paid and is subject to tax withholding as any other income.

**§ 301-11.637 Are income taxes to be withheld from the ITRA?**

Yes, as determined by your internal tax withholding procedures established for your agency pursuant to IRS procedures.

**§ 301-11.638 May we offer a lump sum payment to cover the income tax liability on the covered ITRA?**

Yes, if the employee mutually agrees in writing to the lump sum payment and understands that he/she is responsible for any income taxes without further reimbursement. See the illustration in §301-11.627.

**§ 301-11.639 If the employee does not elect a lump sum payment, how is the tax on the ITRA reimbursement calculated?**

The tax on the tax reimbursement should be calculated using the Year 2

formulas developed for the relocation income tax allowance. (See §302-11.8.)

**§ 301-11.640 How do we handle any excess payment?**

You must collect any excess payments, which includes issuing corrected W-2's or 1099's.

**PART 301-12—MISCELLANEOUS EXPENSES**

Sec. 301-12.1 What miscellaneous expenses are reimbursable?

301-12.2 What baggage expenses may my agency pay?

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SOURCE: FTR Amdt. 70, 63 FR 15965, Apr. 1, 1998, unless otherwise noted.

**§ 301-12.1 What miscellaneous expenses are reimbursable?**

When the following items have been authorized or approved by your agency, they will be reimbursed as a miscellaneous expense. Taxes for reimbursable lodging are deemed approved when lodging is authorized. Examples of such expenses include, but are not limited to the following:

General expenses	Fees to obtain money	Special expenses of foreign travel
Baggage expenses as described in § 301-12.2.	Fees for travelers checks .....	Commissions on conversion of foreign currency.
Services of guides, interpreters, and drivers..	Fees for money orders .....	Passport and/or visa fees.
Use of computers, printers, faxing machines, and scanners..	Fees for certified checks .....	Costs of photographs for passports and visas.
Services of typists, data processors, or stenographers..	Transaction fees for use of automated teller machines (ATMs)-Government contractor-issued charge card.	Foreign country exit fees.