

**Relocation Allowances**

**§ 302-17.13**

	Form(s) W-2	Schedule SE
Spouse (if filing jointly <sup>1</sup> ) .....	\$	\$
Total (Both columns) .....	.....	\$

—Filing status: \_\_\_\_\_ (Specify one of the filing status items that was (or will be) claimed on IRS Form 1040.)

—Marginal tax rates from appendices A, B, and C of 41 CFR part 302-17 and local tax tables derived under procedures prescribed in 41 CFR part 302-17:

Federal for Year 1 \_\_\_\_\_

Federal for Year 2 \_\_\_\_\_

State (specify which): \_\_\_\_\_

Local (specify which): \_\_\_\_\_

The above information is true and accurate to the best of my knowledge. I (we) agree to notify the appropriate agency official of any changes to the above (i.e., from amended tax returns, tax audit, etc.) so that appropriate adjustments to the RIT allowance can be made. The required supporting documents are attached. Additional documentation will be furnished if requested.

I (we) further agree that if the 12-month service agreement required by 41 CFR 302-2.13 is violated, the total amount of the RIT allowance will become a debt due the United States Government and will be repaid according to agency procedures.

\_\_\_\_\_  
Employee's signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Spouse's signature (if filing jointly)<sup>1</sup>

\_\_\_\_\_  
Date

<sup>1</sup>If a joint filing status is claimed and spouse's income is included, the spouse must sign the statement. If the spouse does not sign the document, earned income will include only the employee's earned income as provided in 41 CFR 302-17.8(d). This condition will not apply if an employee is allowed, under IRS rules, to file a joint return as a surviving spouse.

(b) *Supporting documentation/verification.* The claim for the RIT allowance shall be supported by documentation attached to the voucher and by verification of State and local tax obligations as provided below:

(1) Copies of the appropriate IRS Forms W-2 and, if applicable, the completed IRS Schedule SE (Form 1040) shall be attached to the voucher to substantiate the income amounts shown in the certified statement. Employee (and spouse, if filing jointly) must agree to provide additional documentation to verify income amounts,

filing status, and State and local income tax obligations if requested by the agency.

(2) In order to determine or verify whether a particular State or local tax authority imposes a tax on moving expense reimbursements, it is incumbent upon the appropriate agency officials to become familiar with the State and local tax laws that affect their transferring employees. In cases where the taxability of moving expense reimbursements is not clear, an agency may pay a RIT allowance which reflects only those State and local tax obligations that are clearly imposed under State and local tax law. Once the questionable State or local tax obligations are resolved, agencies may recompute the RIT allowance and make appropriate payment adjustments.

(c) *Fraudulent claims.* A claim against the United States is forfeited if the claimant defrauds or attempts to defraud the Government in connection therewith (28 U.S.C. 2514). In addition, there are two criminal provisions under which severe penalties may be imposed on an employee who knowingly presents a false, fictitious, or fraudulent claim against the United States (18 U.S.C. 287 and 1001). The employee's claim for payment of the RIT allowance shall accurately reflect the facts involved in every instance so that any violation of these provisions will be avoided.

**§ 302-17.11 Violation of service agreement.**

In the event the employee violates the terms of the service agreement required under §302-2.13, no part of the RIT allowance or the WTA will be paid, and any amounts paid prior to such violation shall be a debt due the United States until they are repaid by the employee.

**§ 302-17.12 Advance of funds.**

No advance of funds is authorized in connection with the allowance provided in this part.

**§ 302-17.13 Source references.**

The following references or publications have been used as source material for this part.

(a) Internal Revenue Code (IRC), section 164(a)(3) (26 U.S.C. 164(a)(3)) pertaining to the deductibility of State and local income taxes, and section 217 (26 U.S.C. 217), pertaining to moving expenses.

(b) Internal Revenue Service Publication 521, "Moving Expenses."

(c) Internal Revenue Service, Circular E, "Employer's Tax Guide."

(d) Department of the Treasury Financial Manual, TFM 3-5000.

(e) 31 CFR 215.2 (5 U.S.C. 5516, 5517, and 5520).

APPENDIX A TO PART 302-17—FEDERAL TAX TABLES FOR RIT ALLOWANCE

FEDERAL MARGINAL TAX RATES BY EARNED INCOME LEVEL AND FILING STATUS—TAX YEAR 2002

The following table is to be used to determine the Federal marginal tax rate for Year 1 for computation of the RIT allowance as prescribed in §302-17.8(e)(1). This table is to be used for employees whose Year 1 occurred during calendar year 2002.

Marginal tax rate Percent	Single taxpayer		Heads of household		Married filing jointly/qualifying widows & widowers		Married filing separately	
	Over	But not over	Over	But not over	Over	But not over	Over	But not over
10 .....	\$8,137	\$14,130	\$14,743	\$24,811	\$20,219	\$31,833	\$11,770	\$16,693
15 .....	14,130	37,040	24,811	53,556	31,833	67,914	16,693	33,839
27 .....	37,040	80,140	53,556	118,624	67,914	139,528	33,839	69,420
30 .....	80,140	158,281	118,624	184,826	139,528	201,236	69,420	105,672
35 .....	158,281	326,339	184,826	337,037	201,236	335,297	105,672	178,317
38.6 .....	326,339	.....	337,037	.....	335,297	.....	178,317	.....

[FTR Amdt. 2003-01, 68 FR 7942, Feb. 19, 2003]

APPENDIX B TO PART 302-17—STATE TAX TABLES FOR RIT ALLOWANCE

STATE MARGINAL TAX RATES BY EARNED INCOME LEVEL—TAX YEAR 2002

The following table is to be used to determine the State marginal tax rates for calculation of the RIT allowance as prescribed in §302-17.8(e)(2). This table is to be used for employees who received covered taxable reimbursements during calendar year 2002.

MARGINAL TAX RATES (STATED IN PERCENTS) FOR THE EARNED INCOME AMOUNTS SPECIFIED IN EACH COLUMN<sup>1, 2</sup>

State (or district)	\$20,000–\$24,999	\$25,000–\$49,999	\$50,000–\$74,999	\$75,000 & over
Alabama .....	5	5	5	5
Alaska .....	0	0	0	0
Arizona .....	2.87	3.2	3.74	5.04
Arkansas .....	4.5	7	7	7
If single status <sup>3</sup> .....	6	7	7	7
California .....	4	6	8	9.3
If single status <sup>3</sup> .....	6	8	9.3	9.3
Colorado .....	4.63	4.63	4.63	4.63
Connecticut .....	4.5	4.5	4.5	4.5
Delaware .....	5.2	5.55	5.95	5.95
District of Columbia .....	7	9	9	9
Florida .....	0	0	0	0
Georgia .....	6	6	6	6
Hawaii .....	6.4	7.6	8.25	8.25
If single status <sup>3</sup> .....	7.6	8.25	8.25	8.25
Idaho .....	7.4	7.8	7.8	7.8
Illinois .....	3	3	3	3
Indiana .....	3.4	3.4	3.4	3.4
Iowa .....	6.48	7.92	8.98	8.98
If single status <sup>3</sup> .....	6.8	7.92	8.98	8.98
Kansas .....	3.5	6.25	6.45	6.45
If single status <sup>3</sup> .....	6.25	6.45	6.45	6.45
Kentucky .....	6	6	6	6
Louisiana .....	2	4	4	6
If single status <sup>3</sup> .....	4	4	6	6