

§ 301-11.524

41 CFR Ch. 301 (7-1-10 Edition)

§ 301-11.524 What steps must my agency take to determine my ITRA?

Your agency should:

(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 the appropriate RIT tax table(s) located at *www.gsa.gov/ftrbulletin*; or

(b) Determine reimbursement as calculated in the illustration shown in §301-11.535.

[64 FR 32813, June 18, 1999, as amended by FTR Amdt. 2008-04, 73 FR 35953, June 25, 2008]

§ 301-11.525 Is the ITRA I receive taxable income?

Yes. The amount received must be reported as taxable income in the year in which received, but you are eligible to receive an allowance to cover the taxes assessed on the ITRA under §301-11.528.

§ 301-11.526 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.

§ 301-11.527 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 1993	\$14,435
Federal Tax liability on ITRA Reimbursement (@ 28%)	4,042
VA State tax liability (@ 5.75%)	830
Local tax liability	0
Total reimbursement	19,307

(b) Reimbursement of the ITRA and the 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.

§ 301-11.528 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

§ 301-11.531 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 can include:

(a) A certified statement as prescribed in §302-11.10 of this title or copies of 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.

(c) Any documentation received from the IRS identifying any interest or penalty payment (tax years 1993 and 1994 only).

(d) Any other documentation necessary to substantiate the claim.

§ 301-11.532 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 the appropriate RIT tax table(s) located at *www.gsa.gov/ftrbulletin* or as illustrated in §301-11.535.

[64 FR 32813, June 18, 1999, as amended by FTR Amdt. 2008-04, 73 FR 35953, June 25, 2008]

§ 301-11.533 Are tax penalty and interest payments reimbursable?

Yes, the total amount of any penalty and interest assessed by the IRS (for tax years 1993 and 1994 only) due to the failure of the Government to withhold the appropriate income taxes are reimbursable.

§ 301-11.534 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.