

## Relocation Allowances

## § 302-16.203

time you reported for duty at your new official station.

### **§ 302-16.104 Must I document my miscellaneous expenses to receive reimbursement?**

You must show documentation of your miscellaneous expenses only when an amount exceeds that prescribed in § 302-16.102.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001, as amended by FTR Amdt. 2011-02, 76 FR 35111, June 16, 2011]

### **§ 302-16.105 What standard of care must I use in incurring miscellaneous expenses?**

You must exercise the same care in incurring expenses that a prudent person would exercise if relocating at personal expense.

## **Subpart C—Agency Responsibilities**

NOTE TO SUBPART C: Use of pronouns “we”, “you”, and their variants throughout this subpart refers to the agency.

### **§ 302-16.200 What governing policies must we establish for MEA?**

For MEAs, you must establish policies and procedures governing:

- (a) Who will determine whether payment for an amount in excess of the flat MEA is appropriate; and
- (b) How you will pay a MEA in accordance with §§ 302-16.3 and 302-16.4.

### **§ 302-16.201 How should we administer the authorization and payment of miscellaneous expenses?**

You should limit payment of miscellaneous expenses to only those expenses that are necessary.

### **§ 302-16.202 Are there any restrictions to the types of costs we may cover?**

Yes, a MEA cannot be used to reimburse:

- (a) Costs or expenses incurred which exceed maximums provided by statute or in this subtitle;
- (b) Costs or expenses incurred but which are disallowed elsewhere in this subtitle;
- (c) Costs reimbursed under other provisions of law or regulations;

(d) Costs or expenses incurred for reasons of personal taste or preference and not required because of the move;

(e) Losses covered by insurance;

(f) Fines or other penalties imposed upon the employee or members of his/her immediate family;

(g) Judgements, court costs, and similar expenses growing out of civil actions; or

(h) Any other expenses brought about by circumstances, factors, or actions in which the move to a new duty station was not the proximate cause.

### **§ 302-16.203 What are examples of types of costs not covered by the MEA?**

Examples of costs which are not reimbursable from this allowance are:

(a) Losses in selling or buying real and personal property and cost related to such transactions;

(b) Cost of additional insurance on household goods while in transit to the new official station or cost of loss or damage to such property;

(c) Additional costs of moving household goods caused by exceeding the maximum weight limitation;

(d) Costs of newly acquired items, such as the purchase or installation cost of new rugs or draperies;

(e) Higher income, real estate, sales, or other taxes as the result of establishing residence in the new locality;

(f) Fines imposed for traffic infractions while en route to the new official station locality;

(g) Accident insurance premiums or liability costs incurred in connection with travel to the new official station locality, or any other liability imposed upon the employee for uninsured damages caused by accidents for which he/she or a member of his/her immediate family is held responsible;

(h) Losses as the result of sale or disposal of items of personal property not considered convenient or practicable to move;

(i) Damage or loss of clothing, luggage, or other personal effects while traveling to the new official station locality;

(j) Subsistence, transportation, or mileage expenses in excess of the amounts reimbursed as per diem or other allowances under this regulation;

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(k) Medical expenses due to illness or injuries while en route to the new official station or while living in temporary quarters at Government expense under the provisions of this chapter; or

(l) Costs incurred in connections with structural alterations (remodeling or modernizing of living quarters, garages or other buildings to accommodate privately-owned automobiles, appliances or equipment; or the cost of replacing or repairing worn-out or defective appliances, or equipment shipped to the new location).

## PART 302-17—TAXES ON RELOCATION EXPENSES

Sec.

302-17.0 General.

### Subpart A—General

- 302-17.1 What special terms apply to this part?
- 302-17.2 Why does relocation affect personal income taxes?
- 302-17.3 What is the Government's objective in reimbursing the additional income taxes incurred as a result of a relocation?
- 302-17.4 Why is the reimbursement for *substantially all*, and not *exactly all*, of the additional income taxes incurred as a result of a relocation?
- 302-17.5 Who is eligible for the WTA and the RITA?
- 302-17.6 Is there any circumstance under which the WTA and the RITA are not paid even though I would otherwise be eligible?
- 302-17.7 What limitations and Federal income tax treatments apply to various relocation reimbursements?
- 302-17.8 Who is responsible for knowing which relocation expenses are taxable and which expenses are nontaxable?
- 302-17.9 Which expenses should I report on my state tax returns if I am required to file returns in two different states?
- 302-17.10 When is an expense considered completed in a specific tax year?
- 302-17.11 Where can I find additional information and guidance on WTA and RITA?
- 302-17.12 How are taxes on extended TDY benefits and taxes on relocation allowances related?

### Subpart B—The Withholding Tax Allowance (WTA)

- 302-17.20 What is the purpose of the WTA?
- 302-17.21 What relocation expenses does the WTA cover?

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302-17.22 What relocation expenses does the WTA *not* cover?

302-17.23 What are the procedures for my WTA?

302-17.24 How does my agency compute my WTA?

### Subpart C—The Relocation Income Tax Allowance (RITA)

302-17.30 What is the purpose of the RITA?

302-17.31 What are the procedures for calculation and payment of my RITA?

302-17.32 Who chooses the one-year or two-year process?

302-17.33 May I ask my agency to recalculate my RITA?

### Subpart D—The Combined Marginal Tax Rate (CMTR)

302-17.40 How does my agency calculate my CMTR?

302-17.41 Is there any difference in the procedures for calculating the CMTR, depending on whether my agency chooses the one-year or two-year RITA process?

302-17.42 Which state marginal tax rate(s) does my agency use to calculate the CMTR if I incur tax liability in more than one state, and how does this affect my RITA and my state tax return(s)?

302-17.43 What local marginal tax rate(s) does my agency use?

302-17.44 What if I incur income tax liability to the Commonwealth of Puerto Rico?

302-17.45 What if I incur income tax liability to the Commonwealth of the Northern Mariana Islands or any other territory or possession of the United States?

### Subpart E—Special Procedure If a State Treats an Expense as Taxable Even Though It Is Nontaxable Under the Federal IRC

302-17.46 What does my agency do if a state treats an expense as taxable even though it is nontaxable under the Federal IRC?

### Subpart F—The One-Year RITA Process

302-17.50 What information should I provide to my agency to make the RITA calculation possible under the one-year process?

302-17.51 When should I file my "Statement of Income and Tax Filing Status" under the one-year process?

302-17.52 When should I file an amended "Statement of Income and Tax Filing Status" under the one-year process?

302-17.53 What happens if I do not file and amend the "Statement of Income and Tax Filing Status" in a timely manner?

302-17.54 How does my agency calculate my RITA under the one-year process?