

Relocation Allowances

§ 302-17.1

302-17.55 What does my agency do once it has calculated my RITA under the one-year process?

302-17.56 What do I do, under the one-year process, once my agency has provided my W-2(s)?

Subpart G—The Two-Year RITA Process

302-17.60 How are the terms “Year 1” and “Year 2” used in the two-year RITA process?

302-17.61 Is the WTA optional under the two-year process?

302-17.62 What information do I put on my tax returns for Year 1 under the two-year process?

302-17.63 What information should I provide to my agency to make the RITA calculation possible under the two-year process?

302-17.64 When should I file my “Statement of Income and Tax Filing Status” under the two-year process?

302-17.65 What happens if I do not file the “Statement of Income and Tax Filing Status” in a timely manner?

302-17.66 How do I claim my RITA under the two-year process?

302-17.67 How does my agency calculate my RITA under the two-year process?

302-17.68 What does my agency do once it has calculated my RITA under the two-year process?

302-17.69 How do I pay taxes on my RITA under the two-year process?

Subpart H—Agency Responsibilities

302-17.100 May we use a relocation company to comply with the requirements of this part?

302-17.101 What are our responsibilities with regard to taxes on relocation expenses?

302-17.102 What happens if an employee fails to file and/or amend a “Statement of Income and Tax Filing Status” prior to the required date?

302-17.103 What are the advantages of choosing a 1-year or a 2-year RITA process?

AUTHORITY: 5 U.S.C. 5724b; 5 U.S.C. 5738; E.O. 11609, as amended, 3 CFR, 1971-1975 Comp., p. 586.

SOURCE: FTR Amdt. 2014-01, 79 FR 49645, Aug. 21, 2014, unless otherwise noted.

§ 302-17.0 General.

Use of the pronouns “I,” “you,” and their variants throughout this part refer to the employee, unless otherwise noted.

Subpart A—General

§ 302-17.1 What special terms apply to this part?

The following definitions apply to this part:

Allowance means:

(1) Money paid to the employee to cover future expenses, such as the miscellaneous expense *allowance* (see part 302-16 of this chapter for information about the miscellaneous expense *allowance*);

(2) Money paid to the employee to cover past expenses, such as the relocation income tax *allowance* (RITA) under the two-year tax process described in part 302-17, subpart G; or

(3) A limit established by statute or regulation, such as the 18,000 pound net weight *allowance* for household goods shipments (see part 302-7 of this chapter for information about the 18,000 pound net weight *allowance*).

City means any unit of general local government as defined in 31 CFR 215.2(b).

Combined marginal tax rate (CMTR) means a single rate determined by combining the applicable marginal tax rates for Federal, state, and local income taxes, using the formula provided in § 302-17.40. (If you incur liability for income tax in the Commonwealth of Puerto Rico, see § 302-17.44.)

County means any unit of local general government as defined in 31 CFR 215.2(e).

Gross-up used as a noun in this part means:

(1) The process that your agency uses to estimate the additional income tax liability that you incur as a result of relocation benefits and taxes on those benefits; or

(2) The result of the *gross-up* process.

NOTE: The *gross-up* allows for the fact that every reimbursement of taxes is itself taxable. Therefore, the gross-up calculates the amount an agency must reimburse an employee to cover substantially all of the income taxes incurred as the result of a relocation.

Internal Revenue Code (IRC) means Title 26 of the United States Code, which governs Federal income taxes.

Local income tax means a tax imposed by a recognized city or county tax authority that is deductible for Federal income tax purposes as a *local income*