

## Relocation Allowances

## § 302-17.40

See Subpart F for the one-year process and Subpart G for the two-year process.

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

Your agency or a major component of your agency determines whether it will adopt a one-year or two-year RITA process. Your agency may use the one-year RITA process for one or more specific categories of employees and the two-year process for one or more other categories.

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

(a) Yes, you may ask your agency to recalculate your RITA provided you filed your “Statement of Income and Tax Filing Status,” and amended it, if necessary, in a timely manner. If, once you have completed all Federal, state, and local tax returns, you believe that your RITA should have been significantly different from the RITA that your agency calculated, you may ask your agency to recalculate your RITA. This is true for either the one-year or two-year process. With any request for recalculation, you must submit a statement explaining why you believe your RITA was incorrect.

(b) Please note that your agency may require that you also submit an amended “Statement of Income and Tax Filing Status” (if, for example, you inadvertently did not report some of your income in your original Statement), your actual tax returns, or both, as attachments to your request for recalculation.

NOTE TO § 302-17.33: Please see § 302-17.55, if your agency uses a one-year RITA process, or § 302-17.68, if your agency uses a two-year RITA process, for more information about positive and negative RITA calculations.

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

### § 302-17.40 How does my agency calculate my CMTR?

(a) The CMTR is a key element that greatly enhances the accuracy of the calculation of your RITA. Your agency uses the information on your “Statement of Income and Tax Filing Status,” as amended, to determine your

CMTR, as follows (see subparts F and G of this part for information about the “Statement of Income and Tax Filing Status”).

(b) The CMTR is, in essence, a combination of your Federal, state, and local tax rates. However, the CMTR cannot be calculated by merely adding the Federal, state, and local marginal tax rates together because of the deductibility of state and local income taxes from income on your Federal income tax return. The formula prescribed below for calculating the CMTR, therefore, is designed to adjust the state and local tax rates to compensate for their deductibility from income for Federal tax purposes. Examples of how to calculate the CMTR are published in an FTR bulletin available at <https://gsa.gov/ftrbulletins>.

(c) The formula for calculating the CMTR is:

$$\text{CMTR} = F + (1 - F)S + (1 - F)L$$

Where:

F = Your Federal marginal tax rate

S = Your state marginal tax rate, if any

L = Your local marginal tax rate, if any

(d) Your agency finds the Federal marginal tax rate by comparing your taxable income, as shown in your “Statement of Income and Filing Status,” to the Federal tax tables in the current year’s Form 1040-ES instructions (see §§ 302-17.50–302-17.53 and §§ 302-17.63–302-17.65 for additional information on the “Statement of Income and Tax Filing Status”).

(e) Your agency finds the state and local marginal tax rates that apply to you (if any) by comparing your taxable income to the most current state and/or local tax tables provided by the states and localities. Every Federal payroll office and every provider of tax calculation software has these tables readily available, and the tables are also available on the Web sites of the various state and local taxing authorities.

[FTR Amdt. 2014-01, 79 FR 49645, Aug. 21, 2014, as amended by FTR Amdt. 2020-02, 84 FR 64783, Nov. 25, 2019]