

GENERAL SERVICES ADMINISTRATION

41 CFR Part 302-11

[FTR Amendment 102]

RIN 3090-AH55

Federal Travel Regulation; Relocation Income Tax (RIT) Allowance Tax Tables

AGENCY: Office of Governmentwide Policy, GSA.

ACTION: Final rule.

SUMMARY: The Federal, State, and Puerto Rico tax tables for calculating the relocation income tax (RIT) allowance must be updated yearly to reflect changes in Federal, State, and Puerto Rico income tax brackets and rates. The Federal, State, and Puerto Rico tax tables contained in this rule are for calculating the 2002 RIT allowance to be paid to relocating Federal employees.

DATES: This final rule is effective January 1, 2002, and applies for RIT allowance payments made on or after January 1, 2002.

FOR FURTHER INFORMATION CONTACT: Calvin L. Pittman, Office of Governmentwide Policy, Travel Management Policy (MTT), Washington, DC 20405, telephone (202) 501-1538.

SUPPLEMENTARY INFORMATION: This amendment provides the tax tables necessary to compute the relocation

income tax (RIT) allowance for employees who are taxed in 2002 on moving expense reimbursements.

A. Background

Section 5724b of Title 5, United States Code, provides for reimbursement of substantially all Federal, State, and local income taxes incurred by a transferred Federal employee on taxable moving expense reimbursements. Policies and procedures for the calculation and payment of a RIT allowance are contained in the Federal Travel Regulation (41 CFR part 302-11). The Federal, State, and Puerto Rico tax tables for calculating RIT allowance payments are updated yearly to reflect changes in Federal, State, and Puerto Rico income tax brackets and rates.

B. Executive Order 12866

The General Services Administration (GSA) has determined that this final rule is not a significant regulatory action for the purposes of Executive Order 12866 of September 30, 1993.

C. Regulatory Flexibility Act

This final rule is not required to be published in the **Federal Register** for notice and comment; therefore, the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, does not apply.

D. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because this final rule does not impose recordkeeping or

information collection requirements, or the collection of information from offerors, contractors, or members of the public which require the approval of the Office of Management and Budget under 44 U.S.C. 3501 *et seq.*

E. Small Business Regulatory Enforcement Fairness Act

This final rule is also exempt from Congressional review prescribed under 5 U.S.C. 801 since it relates solely to agency management and personnel.

List of Subjects in 41 CFR Part 302-11

Government employees, Income taxes, Relocation allowances and entitlements, Transfers, Travel and transportation expenses.

For the reasons set forth in the preamble, 41 CFR part 302-11 is amended as follows:

PART 302—RELOCATION INCOME TAX (RIT) ALLOWANCE

1. The authority citation for 41 CFR part 302-11 continues to read as follows:

Authority: 5 U.S.C. 5738; 20 U.S.C. 905(a); E.O. 11609, 36 FR 13747, 3 CFR, 1971-1975 Comp., p. 586.

2. Appendixes A, B, C, and D to part 302-11 currently in effect are amended by adding the following tables at the end of each appendix, respectively, to read as follows:

Appendix A to Part 302-11—Federal Tax Tables for RIT Allowance

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Federal Marginal Tax Rates by Earned Income Level and Filing Status—Tax Year 2001

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 § 302-11.8(e)(1). The following table is to be used for employees whose Year 1 occurred during calendar year 2001:

Marginal Tax Rate	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
15	\$7,582	\$35,363	\$13,905	\$51,016	\$18,061	\$65,011	\$8,742	\$32,028
28	35,363	77,472	51,016	116,612	65,011	133,818	32,028	65,470
31	77,472	154,524	116,612	180,660	133,818	193,566	65,470	99,363
36	154,524	317,548	180,660	324,522	193,566	323,455	99,363	169,100
39.6	317,548	324,522	323,455	169,100

Appendix B to Part 302-11—State Tax Tables for RIT Allowance

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State Marginal Tax Rates by Earned Income Level—Tax Year 2001

The following table is to be used to determine the State marginal tax rates for calculation of the RIT allowance as

prescribed in § 301-11.8(e)(2). The following table is to be used for employees who received covered taxable reimbursements during calendar year 2001:

Marginal tax rates (stated in percents) for the earned income amounts specified in each column.^{1 2}

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 ³	6	7	7	7
California	2	4	8	9.3
If single status ⁴	4	8	8	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	7.5	9.5	9.5	9.5
Florida	0	0	0	0
Georgia	6	6	6	6
Hawaii	6.9	7.9	8.5	8.5
If single status ³	7.9	8.5	8.5	8.5
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 ³	6.8	7.92	8.98	8.98
Kansas	3.5	6.25	6.25	6.45
If single status ³	6.25	6.45	6.45	6.45
Kentucky	6	6	6	6
Louisiana	2	4	4	6
If single status ³	4	4	6	6
Maine	4.5	7	8.5	8.5
If single status ³	7	8.5	8.5	8.5
Maryland	4.8	4.8	4.8	4.8
Massachusetts	5.85	5.85	5.85	5.85
Michigan	4.2	4.2	4.2	4.2
Minnesota	5.36	7.05	7.05	7.85
If single status ³	7.05	7.05	7.05	7.85
Mississippi	5	5	5	5
Missouri	6	6	6	6
Montana	9	10	11	11
Nebraska	3.49	5.01	6.68	6.68
If single status ³	5.01	6.68	6.68	6.68
Nevada	0	0	0	0
New Hampshire	0	0	0	0
New Jersey	1.4	1.75	2.45	6.37
If single status ³	1.4	3.5	5.525	6.37
New Mexico	3.2	6	7.1	8.2
If single status ³	6	7.1	7.9	8.2
New York	4	5.25	6.85	6.85
If single status ³	5.25	6.85	6.85	6.85
North Carolina	6	7	7	7.75
North Dakota	6.67	9.33	12	12
If single status ³	8	10.67	12	12
Ohio	3.715	4.457	5.201	6.9
Oklahoma	5	6.75	6.75	6.75
If single status ³	6.75	6.75	6.75	6.75
Oregon	9	9	9	9
Pennsylvania	2.8	2.8	2.8	2.8
Rhode Island ⁴	25.5	25.5	25.5	25.5
South Carolina	7	7	7	7
South Dakota	0	0	0	0
Tennessee	0	0	0	0
Texas	0	0	0	0
Utah	7	7	7	7
Vermont ⁵	24	24	24	24
Virginia	5	5.75	5.75	5.75
Washington	0	0	0	0
West Virginia	4	4.5	6	6.5
Wisconsin	6.5	6.75	6.75	6.75
Wyoming	0	0	0	0

¹ Earned income amounts that fall between the income brackets shown in this table (e.g., \$24,999.45, \$49,999.75) should be rounded to the nearest dollar to determine the marginal tax rate to be used in calculating the RIT allowance.

² If the earned income amount is less than the lowest income bracket shown in this table, the employing agency shall establish an appropriate marginal tax rate as provided in § 302–11.8(e)(2)(ii).

³ This rate applies only to those individuals certifying that they will file under a single status within the States where they will pay income taxes. All other taxpayers, regardless of filing status, will use the other rate shown.

⁴ The income tax rate for Rhode Island is 25.5 percent of Federal income tax liability for all employees. Rates shown as a percent of Federal income tax liability must be converted to a percent of income as provided in § 302–11.8(e)(2)(iii).

⁵ The income tax rate for Vermont is 24 percent of Federal income tax liability for all employees. Rates shown as a percent of Federal income tax liability must be converted to a percent of income as provided in § 302-11.8(e)(2)(iii).

Appendix C to Part 302-11—Federal Tax Tables for RIT Allowance—Year 2

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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 2 for computation of the RIT allowance as prescribed in § 302-11.8(e)(1). The following table is to be used for employees whose Year 1 occurred during calendar years 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000 or 2001:

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
					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

Appendix D to Part 302-11—Puerto Rico Tax Tables for RIT Allowance

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Puerto Rico Marginal Tax Rates by Earned Income Level—Tax Year 2001

The following table is to be used to determine the Puerto Rico marginal tax rate for computation of the RIT allowance as prescribed in § 302-11.8(e)(4)(i):

Marginal Tax Rate Percent	Single Filing Status		Any Other Filing Status	
	Over	But Not Over	Over	But Not Over
11 .....	.....	.....	.....	\$25,000
16.5 .....	.....	\$25,000	.....	.....
29.5	\$25,000	50,000	\$25,000	50,000
33	50,000	.....	50,000	.....

Dated: January 25, 2002.

Stephen A. Perry,

Administrator of General Services.

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