

March 8, 2006

FEDERAL TRAVEL REGULATION  
Amendment 2006-01

TO: Heads of Federal agencies

SUBJECT: Amendment 2006-01, FTR Case 2006-301, Relocation Income Tax (RIT) Allowance Tax Tables - 2006 Update

1. Purpose. This amendment transmits changed pages to the Federal Travel Regulation (FTR) to update the Federal, State, and Puerto Rico tax tables for calculating the relocation income tax (RIT) allowance 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 2006 RIT allowance to be paid to relocating Federal employees. This FTR rule was published in the Federal Register at 71 FR 9262, February 23, 2006. The FTR and any corresponding documents may be accessed at GSA's website at <http://www.gsa.gov/ftr>.

2. Effective date. January 1, 2006.

3. Background.

a. 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 FTR part 302-17. 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. This amendment provides the tax tables necessary to compute the RIT allowance for employees who are taxed in 2005 on moving expense reimbursements.

4. Explanation of changes. Part 302-17 is amended by updating the Federal, State, and Puerto Rico tax tables for calculating RIT allowance payments to reflect changes in Federal, State, and Puerto Rico income tax brackets and rates.

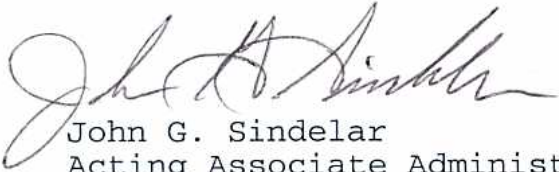
5. Filing instructions. Remove and insert the following pages to the FTR:

Remove page(s):

302-17-15 thru 302-17-22

Insert page(s):

302-17-15 thru 302-17-24



John G. Sindelar  
Acting Associate Administrator  
Office of Governmentwide Policy

Attachment

# AMENDMENT 2006-01 JANUARY 1, 2006

Chapter 302—Relocation Allowances  
 Part 302-17—Relocation Income Tax (RIT) Allowance

Appendix A

## Appendix A to [Part 302-17](#)—Federal Tax Tables for RIT Allowance

### Federal Marginal Tax Rates by Earned Income Level and Filing Status—Tax Year 2005

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 [§302-17.8\(e\)\(1\)](#). This table is to be used for employees in which their Year 1 occurred during calendar year 2005.

Marginal Tax Rate	Single Taxpayer		Head 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
10	\$ 8,712	\$ 16,201	\$ 15,989	\$ 26,630	\$ 23,519	\$ 37,568	\$ 10,897	\$ 18,242
15	16,201	39,898	26,630	58,079	37,568	84,110	18,242	42,410
25	39,898	85,748	58,079	125,252	84,110	150,301	42,410	76,165
28	85,748	169,230	125,252	195,589	150,301	216,710	76,165	109,970
33	169,230	348,318	195,589	360,009	216,710	360,571	109,970	182,419
35	348,318	---	360,009	---	360,571	---	182,419	---

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## Appendix B to Part 302-17—State Tax Tables for RIT Allowance

### State Marginal Tax Rates by Earned Income Level—Tax Year 2005

The following table is to be used to determine the State marginal tax rates for calculation of the RIT allowance as prescribed in [§302-17.8\(e\)\(2\)](#). This table is to be used as a guide for employees who received covered taxable reimbursements during calendar year 2005. The rates shown below are for married filing jointly and if the state has a specific single rate, it is shown. For more specific information or if an employee is in a different filing status, please see the 2006 State Tax Handbook, pp. 258-274, CCH Inc., <http://tax.cchgroup.com/Books/default>.

<b>Marginal tax rates (stated in percents) for the earned income amounts specified in each column<sup>1, 2, 3</sup></b>				
<b>State (or District)</b>	<b>\$20,000-\$24,999</b>	<b>\$25,000-\$49,999</b>	<b>\$50,000-\$74,999</b>	<b>\$75,000 and over<sup>4</sup></b>
Alabama	5.00	5.00	5.00	5.00
Alaska	0.00	0.00	0.00	0.00
Arizona	3.20	3.20	3.74	3.74
If single status, married filing separately <sup>5</sup>	3.20	3.74	4.72	4.72
Arkansas	6.00	7.00	7.00	7.00
California	2.00	6.00	8.00	9.30
If single status, married filing separately <sup>5</sup>	6.00	9.30	9.30	9.30
Colorado	4.63	4.63	4.63	4.63
Connecticut	5.00	5.00	5.00	5.00
Delaware	5.20	5.55	5.95	5.95
District of Columbia	7.50	9.00	9.00	9.00
Florida	0.00	0.00	0.00	0.00
Georgia	6.00	6.00	6.00	6.00
Hawaii	6.80	7.60	7.90	8.25
If single status, married filing separately <sup>5</sup>	7.60	7.90	8.25	8.25
Idaho	7.40	7.80	7.80	7.80
If single status, married filing separately <sup>5</sup>	7.80	7.80	7.80	7.80
Illinois	3.00	3.00	3.00	3.00
Indiana	3.40	3.40	3.40	3.40
Iowa	6.48	7.92	8.98	8.98
Kansas	3.50	6.25	6.45	6.45
If single status, married filing separately <sup>5</sup>	6.25	6.45	6.45	6.45
Kentucky	5.80	5.80	5.80	6.00
Louisiana	2.00	4.00	6.00	6.00
If single status, married filing separately <sup>5</sup>	4.00	6.00	6.00	6.00
Maine	7.00	8.50	8.50	8.50
If single status, married filing separately <sup>5</sup>	8.50	8.50	8.50	8.50
Maryland	4.75	4.75	4.75	4.75
Massachusetts	5.30	5.30	5.30	5.30
Michigan	3.90	3.90	3.90	3.90

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## Appendix B

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<b>Marginal tax rates (stated in percents) for the earned income amounts specified in each column<sup>1, 2, 3</sup></b>				
<b>State (or District)</b>	<b>\$20,000-\$24,999</b>	<b>\$25,000-\$49,999</b>	<b>\$50,000-\$74,999</b>	<b>\$75,000 and over<sup>4</sup></b>
Minnesota	5.35	7.05	7.05	7.05
If single status, married filing separately <sup>5</sup>	7.05	7.05	7.85	7.85
Mississippi	5.00	5.00	5.00	5.00
Missouri	6.00	6.00	6.00	6.00
Montana	6.90	6.90	6.90	6.90
Nebraska	3.57	6.84	6.84	6.84
If single status, married filing separately <sup>5</sup>	5.12	6.84	6.84	6.84
Nevada	0.00	0.00	0.00	0.00
New Hampshire	0.00	0.00	0.00	0.00
New Jersey	1.75	1.75	3.50	5.525
If single status, married filing separately <sup>5</sup>	1.75	5.525	5.525	6.370
New Mexico	6.00	6.00	6.00	6.00
New York	5.25	6.85	6.85	6.85
If single status, married filing separately <sup>5</sup>	6.85	6.85	6.85	6.85
North Carolina	7.00	7.00	7.00	7.00
If single status, married filing separately <sup>5</sup>	7.00	7.00	7.75	7.75
North Dakota	2.10	2.10	3.92	3.92
If single status, married filing separately <sup>5</sup>	2.10	3.92	4.34	4.34
Ohio	4.27	4.983	4.983	5.693
Oklahoma <sup>6</sup>	6.65	6.65	6.65	6.65
Oregon	9.00	9.00	9.00	9.00
Pennsylvania	3.07	3.07	3.07	3.07
Rhode Island <sup>7</sup>	25.00	25.00	25.00	25.00
South Carolina	7.00	7.00	7.00	7.00
South Dakota	0.00	0.00	0.00	0.00
Tennessee	0.00	0.00	0.00	0.00
Texas	0.00	0.00	0.00	0.00
Utah	7.00	7.00	7.00	7.00
Vermont	3.60	3.60	7.20	7.20
If single status, married filing separately <sup>5</sup>	3.60	7.20	8.50	8.50
Virginia	5.75	5.75	5.75	5.75
Washington	0.00	0.00	0.00	0.00
West Virginia	4.00	6.00	6.50	6.50
Wisconsin	6.50	6.50	6.50	6.50
Wyoming	0.00	0.00	0.00	0.00

(The above table/column headings established by IRS.)

<sup>1</sup> 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.

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- <sup>2</sup> 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 [§302-17.8\(e\)\(2\)\(ii\)](#).
- <sup>3</sup> If two or more marginal tax rates of a State overlap an income bracket shown in this table, then the highest of the two or more State marginal tax rates is shown for that entire income bracket. For more specific information, see the 2006 State Tax Handbook, pp. 258-274, CCH, Inc., <http://tax.cchgroup.com/Books/default>.
- <sup>4</sup> This is an estimate. For earnings over \$100,000, and for filing statuses other than those above, please consult actual tax tables. See 2006 State Tax Handbook, pp. 258-274, CCH, Inc., <http://tax.cchgroup.com/Books/default>.
- <sup>5</sup> This rate applies only to those individuals certifying that they will file under a single or married filing separately status within the states where they will pay income taxes.
- <sup>6</sup> The 2005 personal income tax rates shown here for Oklahoma follow Method 1 only. For information on Method 2, see the 2006 State Tax Handbook, pp. 258-274, CCH, Inc., <http://tax.cchgroup.com/Books/default>.
- <sup>7</sup> The income tax rate for Rhode Island is 25 percent of Federal income tax rates, including capital gains rates and any another other special rates for other types of income. Rates shown as a percent of Federal income tax liability must be converted to a percent of income as provided in [§302-17.8\(e\)\(2\)\(iii\)](#).

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## Appendix C to [Part 302-17](#)—Federal Tax Tables for RIT Allowance—Year 2

### Estimated Ranges of Wage and Salary Income Corresponding to Federal Statutory Marginal Income Tax Rates by Filing Status In 2006

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 [§302-17.8\(e\)\(1\)](#). This table is to be used for employees whose Year 1 occurred during calendar years 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004 or 2005.

Marginal Tax Rate	Single Taxpayer		Head 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
10	\$ 8,739	\$ 16,560	\$ 16,538	\$ 27,374	\$ 24,163	\$ 38,534	\$ 12,036	\$ 19,194
15	16,560	41,041	27,374	59,526	38,534	86,182	19,194	43,330
25	41,041	88,541	59,526	128,605	86,182	154,786	43,330	79,441
28	88,541	175,222	128,605	203,511	154,786	224,818	79,441	114,716
33	175,222	360,212	203,511	375,305	224,818	374,173	114,716	188,184
35	360,212	---	375,305	---	374,173	---	188,184	---

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Appendix D

## Appendix D to Part 302-17—Puerto Rico Tax Tables for RIT Allowance

### Puerto Rico Marginal Tax Rates by Earned Income Level—Tax Year 2005

The following table is to be used to determine the Puerto Rico marginal tax rate for computation of the RIT allowance as prescribed in §302-17.8(e)(4)(i).

Marginal Tax Rate	For married person living with spouse and filing jointly, married person not living with spouse, single person, or head of household		For married person living with spouse and filing separately	
	Over	But Not Over	Over	But Not Over
10	\$ 2,000	\$17,000	\$ 1,000	\$ 8,500
15	17,000	30,000	8,500	15,000
28	30,000	50,000	15,000	25,000
33	50,000	----	25,000	----

Source: Individual Income Tax Return 2005 - Long Form; Commonwealth of Puerto Rico, Department of the Treasury, P.O. Box 9022501, San Juan, PR 00902-2501;  
[http://www.hacienda.gobierno.pr/planillas\\_individuo.asp](http://www.hacienda.gobierno.pr/planillas_individuo.asp)

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