

March 30, 2004

FEDERAL TRAVEL REGULATION
Amendment 2004-01

TO: Heads of Federal agencies

SUBJECT: Changes to the Federal Travel Regulation; Relocation Income Tax (RIT)
Allowance Tax Tables

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.
2. 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. The RIT allowance is contained in the FTR (41 CFR subtitle F) 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. The RIT tables are based on the Federal, State, and Puerto Rico income tax tables, and does not represent an exercise of management discretion.
3. Effective date. The provisions of this amendment are effective January 1, 2004.
4. Explanation of changes. The Federal, State, and Puerto Rico tax tables contained in this rule are for calculating the 2004 RIT allowance to be paid to relocating Federal employees.
5. Filing instructions. Remove and insert the following pages to the FTR:

Remove pages

302-17-15 thru 302-17-22

Insert pages

302-17-15 thru 302-17-22

/s/

G. Martin Wagner
Associate Administrator
Office of Governmentwide Policy

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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 2003

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 whose Year 1 occurred during calendar year 2003.

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
10	\$8,274	\$14,314	\$15,005	\$25,136	\$20,977	\$32,559	\$10,958	\$16,536
15	\$14,314	\$37,771	\$25,136	\$54,712	\$32,559	\$69,722	\$16,536	\$34,507
27	\$37,771	\$81,890	\$54,712	\$122,788	\$69,722	\$142,842	\$34,507	\$70,442
30	\$81,890	\$162,802	\$122,788	\$193,703	\$142,842	\$206,675	\$70,442	\$107,631
35	\$162,802	\$334,763	\$193,703	\$350,138	\$206,675	\$343,919	\$107,631	\$181,753
38.6	\$334,763	---	\$350,138	---	\$343,919	---	\$181,753	---

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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 2003

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 for employees who received covered taxable reimbursements during calendar year 2003.

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 and over ³
Alabama	5	5	5	5
Alaska	0	0	0	0
Arizona	3.20	3.74	4.72	5.04
Arkansas	6	7	7	7
California	2	4	8	9.3
If single status ⁴	6	8	9.3	9.3
Colorado	4.63	4.63	4.63	4.63
Connecticut	5	5	5	5
Delaware	5.2	5.55	5.95	5.95
District of Columbia	7.5	9.3	9.3	9.3
Florida	0	0	0	0
Georgia	6	6	6	6
Hawaii	6.4	7.6	8.25	8.25
If single status ⁴	7.6	8.25	8.25	8.25
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
Kansas	3.5	6.25	6.45	6.45
If single status ⁴	6.25	6.45	6.45	6.45
Kentucky	6	6	6	6
Louisiana	4	6	6	6
Maine	7	8.5	8.5	8.5
If single status ⁴	8.5	8.5	8.5	8.5
Maryland	4	4	4	4
Massachusetts	5.3	5.3	5.3	5.3
Michigan	4	4	4	4
Minnesota	5.35	7.05	7.05	7.05
If single status ⁴	7.05	7.05	7.85	7.85
Mississippi	5	5	5	5
Missouri	6	6	6	6
Montana	7	9	10	10
Nebraska	3.57	5.12	6.84	6.84
If single status ⁴	5.12	6.84	6.84	6.84
Nevada	0	0	0	0
New Hampshire	0	0	0	0

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Appendix B

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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 and over ³
New Jersey	1.75	1.75	2.45	3.5
If single status ⁴	1.75	3.5	5.525	6.37
New Mexico	4.7	6	7.1	7.7
If single status ⁴	6	7.1	7.7	7.7
New York	5.25	5.9	6.85	6.85
If single status ⁴	6.85	6.85	6.85	6.85
North Carolina	7	7	7	7
North Dakota	2.1	2.1	3.92	3.92
If single status ⁴	2.1	2.1	3.92	4.34
Ohio	4.457	4.457	5.201	5.201
Oklahoma	7	7	7	7
Oregon	9	9	9	9
Pennsylvania	2.8	2.8	2.8	2.8
Rhode Island ⁵	25	25	25	25
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 ⁶	3.6	3.6	7.2	8.5
If single status ⁴	3.6	7.2	7.2	8.5
Virginia	5.75	5.75	5.75	5.75
Washington	0	0	0	0
West Virginia	4	4.5	6	6.5
Wisconsin	6.5	6.5	6.5	6.5
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 [§302-17.8\(e\)\(2\)\(ii\)](#).

³ This is an estimate. For earnings over \$100,000, please consult actual tax tables.

⁴ 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.

⁵ The income tax rate for Rhode Island is 25 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 [§302-17.8\(e\)\(2\)\(iii\)](#).

⁶ 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 [§302-17.8\(e\)\(2\)\(iii\)](#).

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

Federal Marginal Tax Rates by Earned Income Level and Filing Status—Tax Year 2004

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 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, or 2003.

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
10	\$8,486	\$15,852	\$15,539	\$25,991	\$22,763	\$36,688	\$10,614	\$17,891
15	\$15,852	\$39,093	\$25,991	\$56,668	\$36,688	\$82,625	\$17,891	\$41,386
25	\$39,093	\$84,081	\$56,668	\$123,629	\$82,625	\$147,439	\$41,386	\$74,492
28	\$84,081	\$166,123	\$123,629	\$193,801	\$147,439	\$212,158	\$74,492	\$108,134
33	\$166,123	\$341,553	\$193,801	\$354,536	\$212,158	\$352,775	\$108,134	\$179,237
35	\$341,553	---	\$354,536	---	\$352,775	---	\$179,237	---

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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 2003

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 Percent	Single Filing Status		Any Other Filing Status	
	Over	But Not Over	Over	But Not Over
10	—	—	—	\$25,000
15	—	\$25,000	—	—
28	\$25,000	\$50,000	\$25,000	\$50,000
33	\$50,000	—	\$50,000	—

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