

March 29, 2005

FEDERAL TRAVEL REGULATION  
Amendment 2005-02

TO: Heads of Federal agencies

SUBJECT: Amendment 2005-02, FTR Case 2005-302, Relocation Income Tax (RIT) Allowance Tax Tables - 2005 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 2005 RIT allowance to be paid to relocating Federal employees. The FTR and any corresponding documents may be accessed at GSA's website at <http://www.gsa.gov/ftr>.

2. Effective date. January 1, 2005.

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 2004 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.

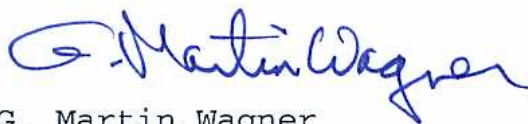
5. Filing instructions. Remove and insert the following pages to the FTR:

Remove page(s):

302-17-15 thru 302-17-22

Insert page(s):

302-17-15 thru 302-17-22

A handwritten signature in blue ink that reads "G. Martin Wagner". The signature is written in a cursive style with a large initial "G".

G. Martin Wagner  
Associate Administrator  
Office of Governmentwide Policy

Attachment

# AMENDMENT 2005-02 JANUARY 1, 2005

## 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 2004

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 2004.

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	\$ 8,486	\$ 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	---

**This page intentionally left blank.**

# AMENDMENT 2005-02 JANUARY 1, 2005

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

### State Marginal Tax Rates by Earned Income Level—Tax Year 2004

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 2004. (The rates shown below are married filing jointly.) If the state has a specific single rate, it is shown. If an employee is in a different filing status, please see 2005 State Tax Handbook, CCH Inc., at <http://tax.cchgroup.com>.

Marginal tax rates (stated in percents) for the earned income amounts specified in each column <sup>1, 2</sup>				
State (or District)	\$20,000-\$24,999	\$25,000-\$49,999	\$50,000-\$74,999	\$75,000 and over <sup>3</sup>
Alabama	5	5	5	5
Alaska	0	0	0	0
Arizona	3.20	3.20	3.74	3.74
If single status <sup>4</sup>	3.20	3.74	4.72	4.72
Arkansas	6	7	7	7
California	2	4	6	9.3
If single status <sup>4</sup>	4	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	7.2	7.6	8.25
If single status <sup>4</sup>	7.6	7.9	8.25	8.25
Idaho	7.4	7.4	7.8	7.8
If single status <sup>4</sup>	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 <sup>4</sup>	6.25	6.45	6.45	6.45
Kentucky	6	6	6	6
Louisiana	4	4	6	6
If single status <sup>4</sup>	4	6	6	6
Maine	7	8.5	8.5	8.5
If single status <sup>4</sup>	8.5	8.5	8.5	8.5
Maryland	4.75	4.75	4.75	4.75
Massachusetts	5.3	5.3	5.3	5.3
Michigan	3.9	3.9	3.9	3.9
Minnesota	5.35	7.05	7.05	7.05
If single status <sup>4</sup>	7.05	7.05	7.85	7.85
Mississippi	5	5	5	5
Missouri	6	6	6	6
Montana	8	9	10	11
Nebraska	3.57	5.12	6.84	6.84

# AMENDMENT 2005-02 JANUARY 1, 2005

## Appendix B

## FEDERAL TRAVEL REGULATION

Marginal tax rates (stated in percents) for the earned income amounts specified in each column <sup>1, 2</sup>				
State (or District)	\$20,000-\$24,999	\$25,000-\$49,999	\$50,000-\$74,999	\$75,000 and over <sup>3</sup>
If single status <sup>4</sup>	5.12	6.84	6.84	6.84
Nevada	0	0	0	0
New Hampshire	0	0	0	0
New Jersey	1.75	1.75	2.45	5.525
If single status <sup>4</sup>	1.75	3.5	5.525	6.37
New Mexico	4.7	6	6.8	6.8
If single status <sup>4</sup>	6	6.8	6.8	6.8
New York	5.25	5.9	6.85	6.85
If single status <sup>4</sup>	6.85	6.85	6.85	6.85
North Carolina	7	7	7	7
If single status <sup>4</sup>	7	7	7.75	7.75
North Dakota	2.1	2.1	3.92	3.92
If single status <sup>4</sup>	2.1	3.92	3.92	4.34
Ohio	4.457	4.457	5.201	5.943
Oklahoma	6.65	6.65	6.65	6.65
Oregon	9	9	9	9
Pennsylvania	3.07	3.07	3.07	3.07
Rhode Island <sup>5</sup>	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	3.6	3.6	7.2	7.20
If single status <sup>4</sup>	3.6	7.2	8.5	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

(The above table 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.

<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> This is an estimate. For earnings over \$100,000, and for filing statuses other than those above, please consult actual tax tables. (See 2005 State Tax Handbook, CCH, Inc.)

<sup>4</sup> 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.

<sup>5</sup> 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\(e\)\(2\)\(iii\)](#).

# AMENDMENT 2005-02 JANUARY 1, 2005

## 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 2005

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 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, or 2004.

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	\$8,712	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	---

**This page intentionally left blank.**



# AMENDMENT 2005-02 JANUARY 1, 2005

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

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 2004

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	—

This page intentionally left blank.