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Comptroller General
of the United States
Washington, D.C. 20548

Decision

Matter of: Duane Feick

File: B-248770

Date: July 23, 1992

DIGEST

A transferred employee was required to pay additional federal income taxes on his relocation expense reimbursement, but was unable to receive the benefit of the relocation income tax allowance authorized by 5 U.S.C. § 5724b (1988) because he was a federal income tax nonitemizer and those expenses may only be treated as an itemized deduction on Schedule A of the Form 1040 income tax return. This Office may not grant the relief requested since the regulatory authority under 5 U.S.C. § 5724b has been delegated to the General Service Administration.

DECISION

The Bureau of Land Management, Department of the Interior,[1] has requested a decision on a transferred employee's entitlement to an additional sum as a relocation income tax (RIT) allowance. We hold that the employee may not be reimbursed.

Mr. Duane Feick was transferred in the interest of the government to Cheyenne, Wyoming, in July 1991 and was reimbursed for his relocation expenses. He was required to report his reimbursement as income on his federal income tax returns and pay $658 additional federal income tax. However, because he did not itemize his deductions on his tax return, he was unable to take advantage of the RIT allowance authorized by 5 U.S.C. § 5724b (1988) and be reimbursed for that additional tax.

Prior to implementation of the Tax Reform Act of 1986, employees transferred in the interest of the government were able to claim virtually all of their relocation expenses upon filing their Form 1040 tax return, since these expenses were treated as an adjustment to gross income. Since

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[1]Mr. David J. Holland, Chief, Division of Finance, Ref: 1382 (820).

implementation of the Tax Reform Act, the reporting of these expenses was moved to Schedule A (Itemized deductions) of the Form 1040 tax return. Since the current tax law does not permit combining the otherwise allowable relocation expense deduction with the standard deduction, transferred employees who cannot itemize their deductions are limited to the use of the standard deduction and are effectively penalized.

We recognize that the computation formulas used in Part 302-11 of the Federal Travel Regulations (FTR)[2] do not accommodate non-itemizers like Mr. Feick following implementation of the Tax Reform Act. However, we have no basis to question the computation formula devised by the General Services Administration (GSA), in conjunction with Internal Revenue Service, nor do we have authority to amend or modify the provisions of the FTR to grant relief to individuals who did not itemize, since the regulatory authority under 5 U.S.C. § 5724b (1988) has been delegated to the GSA.[3]

for Seymour Efros
James F. Hinchman
General Counsel

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[2]41 C.F.R. Part 302-11 (1991).

[3]John W. Eddy, B-245171, Mar. 10, 1992.