

**Income Tax Reimbursement Allowance (ITRA) Instructions**

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**IR 7-1. How do I claim my ITRA?**

You must file a travel voucher, SF 1012, supported by an Income Tax Reimbursement Allowance Certification (see Attachment 3), a copy your W-2(s) and documentation to support any claim for penalty or interest for tax years 1993 and 1994.

**IR 7-2. What method will the DOI use to calculate my reimbursement of the additional taxes I incurred?**

Your reimbursement will be calculated using the method required for reimbursing the additional tax burden incurred as a result of receiving payments for relocation expenses. This process is explained in the Federal Travel Regulation (41 CFR 302-11.8). The relocation income tax computer program for the applicable tax year will be used to determine your entitlement, including the amount of tax that will be due as a result of the ITRA payment.

**IR 7-3. What do I have to do to file a claim for my ITRA if I do not have the W-2(s)?**

You cannot file a claim until you have obtained copies of your W-2(s). You should contact the payroll office that issued the W-2(s) and request a duplicate copy.

**IR 7-4. How is my reimbursement to be calculated if my bureau established a higher per diem rate to compensate me for the taxes prior to the ITRA being authorized?**

The amount of per diem in excess of the locality rate, paid to defray the taxes will be considered a Withholding Tax Allowance for calculation purposes. The formula will reduce the amount of the ITRA by the excess amount paid (See Attachment 5).

**IR 7-5. May I send in copies of my Federal and State income tax returns to substantiate my claim for the ITRA?**

No, DOI will not accept tax returns to substantiate ITRA entitlement. Tax returns are not to be sent to the finance office since they contain privacy data that must have special handling and secured storage with limited access.

**IR 7-6. Is the ITRA reimbursement subject to withholding for all employment taxes or just income taxes?**

The ITRA is subject to all income and employment taxes. These include federal, state, and local income tax withholding, and the applicable part of FICA. If your salary is subject to the full FICA tax, your ITRA will be subject to the full FICA withholding.

**IR 7-7. Am I entitled to an ITRA if my bureau did not include the travel allowance payments on my W-2?**

No, the ITRA is for reimbursing the additional taxes paid based on reported taxable income.

**IR 7-8. Will DOI make lump sum payments for the ITRA?**

No, ITRA will be determined using the same formula used for calculating the relocation income tax allowance.

**IR 7-9. Will DOI recalculate my tax returns and determine the amount of ITRA I am due?**

No, DOI will not recalculate your tax returns or pay an ITRA based on the recalculation of your individual income tax returns.

**IR 7-10. Will I receive another payment next year to cover the taxes I must pay on the ITRA?**

No, the ITRA reimbursement is an amount that is approximately equal to the taxes paid in prior years and the taxes due on the ITRA in future years..

**IR 7-11. Will my ITRA reimbursement be included in my W-2 or will a 1099 be issued?**

Your ITRA reimbursement will be included in your W-2 for the year the payment is received.

**IR 7-12. I am no longer employed by DOI, am I still eligible for an ITRA?**

Yes, your current employment status does not affect your entitlement. Your voucher should be filed with the bureau finance office that serviced you when you were employed by DOI.

**IR 7-13**      **Will I receive a Withholding Tax Allowance (WTA) to offset the tax withholding when I receive taxable per diem payments?**

No, the Department does not have the authority to make a WTA payment to cover the taxes incurred as a result of temporary duty.

**IR 7-14**      **I received per diem payments for 12 consecutive months that covered parts of two tax years, must I file one or two ITRA claims?**

You must file two claims, one claim for each tax year.