



May 19, 2004

**OKLAHOMA BULLETIN NO OK250-4-27**

**SUBJECT: FNM – Relocation Income Tax Claims**

**Purpose:** To remind employees who received relocation reimbursements during calendar year 2003 to file a Relocation Income Tax (RIT) claim.

**Expiration Date:** September 30, 2004.

The National Finance Center (NFC) is now processing 2003 Relocation Income Tax (RIT) claims. If you were reimbursed for relocation expenses during calendar year 2003, you must file a RIT claim.

Relocation expenses are treated as income by the Internal Revenue Service (IRS) and are subject to taxation. The NFC recomputes the employee's taxable reimbursements when a RIT claim is submitted to assure the correct amount of tax is paid. This may result in the employee receiving additional reimbursement or require him/her to return any overpayment to the NRCS. Attached are the Federal Marginal Tax Rates issued by IRS, which NFC uses in computing RIT claims.

If an employee does not file a RIT claim in the year following the receipt of taxable reimbursement, the NFC will require the employee to pay back to the NRCS all the taxes paid on relocation reimbursements during that year.

Employees must complete Form AD-1000 and attach a copy of their W-2 form(s). If the employee filed a joint income tax return with the spouse having income, the spouse's W-2 must also be attached and the spouse must sign the AD-1000. The AD-1000 must be attached to Form AD-616R and submitted to Financial Management for approval. Instructions, samples, and copies of the AD-1000 and AD-616R are attached.

If there are any questions concerning this process, please contact Financial Management.

/s/ (John Glover – Acting for)

M. DARREL DOMINICK  
State Conservationist

Attachments

DIST: AE