

Relocation Income Tax Allowance (RITA) Overview

The RITA is an authorized entitlement to reimburse civilian employees for substantially all of the additional federal, state, and local taxes incurred by the employee, or by the employee and spouse if filing a joint income tax return, as a result of a Permanent Change of Station (PCS) move.

Filing the RITA claim is required in the tax year following the tax year that the employee received reimbursement of their PCS travel and transportation expenses. For example, if the employee transferred to a new duty station and received reimbursements for any moving expenses in 2003 (Year 1), the employee must submit a RITA claim in 2004 (Year 2).

The amounts reported on the Form W-2 received from the USACE Finance Center (UFC) for these PCS reimbursements must be included in your total gross income (i.e., payroll W2s, 1099 Forms, etc.) when you file your federal and state income tax returns.

The Withholding Tax Allowance (WTA) and Employee Agreement referenced in the Joint Travel Regulation, Volume 2, Chapter 16, Section C16007, Paragraph E, states “employees receiving reimbursement for expenses related to a Permanent Change of Station (PCS) must file a RITA claim”.

Failure to submit a claim for the RITA will obligate the employee to repay the amount of Withholding Tax Allowance (WTA) to the government paid to the Federal Reserve Bank for the employee. Yes, we do bill those that do not submit a RITA claim.

Detailed information about the PCS RITA entitlement is on the web site www.dtic.mil/perdiem/ in Chapter 16 of the Joint Travel Regulations, Volume 2.

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Print out the attached forms and instructions to file your RITA claim.

These forms and instructions are for filing current or prior year RITA claims...just identify the correct year in block 18 b. on the Form DD 1351-2.

[Form DD1351-2](#)

[Form DD1351-2 Instructions](#)

[RITA Certification Form](#)

[What is RITA?](#)

[Why did I get a bill?](#)