



# United States Department of the Interior

FISH AND WILDLIFE SERVICE  
Washington, D. C. 20240



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To: Service Directorate

From: Assistant Director - Business Management and Operations

Subject: 2018 Relocation Tax Expenses Update

The Department of Interior (DOI) has issued FMM 2018-009, 2018 Relocation Tax Expenses Update. This financial management memorandum (FMM) focuses on the impact on relocation as a result of the Tax Cuts and Jobs Act, PL 115-97, which was signed into law on December 22, 2017. DOI has issued this FMM in advance of a GSA Federal Travel Regulation (FTR) Bulletin, as a GSA Bulletin may not come out until the spring of 2018.

The biggest impact of the new law is on shipment and storage of household goods and shipment of privately-owned vehicles (POV). These entitlements are now taxable for permanent change of station (PCS) and temporary change of station (TCS) moves. Household goods that are self-shipped are taxed based on the reimbursement the employee receives from the U.S. Fish and Wildlife Service (Service).

## **Permanent Change of Station (PCS)**

All PCS expenses are taxable under the new law except the home sale contract, temporary quarters, and the foreign transfer allowance when moving to a foreign country. Household goods that were shipped or stored in calendar year 2017 are taxable if the vendor was paid in calendar year 2018. Reimbursements paid directly to the employee, such as for self-shipment or en route transportation and lodging, are taxable if the employee was paid after December 10, 2017. The Division of Financial Management is advising employees that are affected by the change.

To account for the tax law changes, the PCS module in FBMS was updated treating all expenses (except the home sale contract) as taxable. The federal withholding tax rate (FWTR) for supplemental wages was changed from 25% to 22%. The withholding tax allowance (WTA) calculation in the PCS module was updated to reflect the 22% rate for "full" WTA and 12% (down from 15%) for the "reduced" WTA.

## **Tour Renewal Travel**

Effective February 1, 2018, Regions with OCONUS locations should not use Concur for new tour renewal travel authorizations. For any tour renewal travel authorizations previously created in Concur in which travel has been started or completed, travelers are to use Concur to complete vouchers.

Tour renewal travel authorizations created February 1st and later should be done by the PCS counselor via the FBMS PCS module and vouchered manually with an OF-1012. Reservations should be made via the travel management center (TMC) Duluth or El Sol.

If you have any questions, please contact your Lead PCS Counselor or Ms. Sheree Ross, Division of Financial Management, at (703) 358-2232 or [sheree\\_ross@fws.gov](mailto:sheree_ross@fws.gov).

Attachment