



**PER DIEM, TRAVEL, AND TRANSPORTATION
ALLOWANCE COMMITTEE**
4800 MARK CENTER DRIVE, SUITE 05E22
ALEXANDRIA, VA 22350-9000

May 29, 2026

MEMORANDUM FOR: CIVILIAN ADVISORY PANEL

SUBJECT: CTD FOR CAP 38-26(I), "Update Relocation Income Tax Allowance for
Intelligence Community Employees"

1. Purpose: This item clarifies that an Intelligence Community employee, as defined in 50 U.S.C. §3003, with a permanent change of station is exempt from taxable relocation allowances, effective on or after January 1, 2026.
2. This revision is forwarded for information purposes. No coordination is required.
3. Defense Finance Accounting Service initiated this revision.
4. Action Officer: Ashley Aguilar (ashley.aguilar5.civ@mail.mil).

Christopher M. Woods
Chief, Policy Branch

Attachment:
Joint Travel Regulations Revisions

cc:
Civilian Board of Contract Appeals
Defense Travel Management Office
General Services Administration

Joint Travel Regulations Revisions

053611. Relocation Income Tax (RIT) Allowance

A RIT allowance reimburses a civilian employee for the majority of the additional income taxes incurred from the reimbursement of taxable relocation allowances. A RIT allowance applies to Federal, state, and local income taxes incurred by the civilian employee or by the civilian employee and spouse, but not by a domestic partner. Effective on or after January 1, 2026, an Intelligence Community (IC) employee (defined in 50 U.S.C. §3003) is exempt from relocation taxes and the IC employee's PCS order must clearly state that the employee is exempt from taxation of relocation allowances. A RIT allowance does not reimburse for employment-type taxes, such as those imposed by [26 U.S.C. Ch. 21](#) (Federal Insurance Contributions Act) or [26 U.S.C. §§3301-3311](#) (Federal Unemployment Tax Act). A Withholding Tax Allowance acts as an advance on a RIT. See [FTR §302-17](#) and [FTR Bulletin 18-05](#) (May 14, 2018), [19-02](#) (November 27, 2018), and [20-04](#) (January 23, 2020) for details on taxable PCS allowances and computation methods.