



UNITED STATES  
CIVILIAN BOARD OF CONTRACT APPEALS

---

January 29, 2020

CBCA 6671-RELO

In the Matter of CHRISTY A. COX

Christy A. Cox, Jeffersonville, IN, Claimant.

Anne M. Schmitt-Shoemaker, Deputy Director, Finance Center, United States Army Corps of Engineers, Millington, TN, appearing for Department of the Army.

**GOODMAN**, Board Judge.

Claimant, Christy A. Cox, is a civilian employee of the Department of Defense. She has asked this Board to review a decision of the agency with regard to her obligation to pay tax on the cost of the shipment of her household goods (HHG), incurred in connection with a permanent change of station (PCS).

Claimant accomplished her PCS to commence work at her new duty station on July 8, 2019. Thereafter, she received a letter of debt from the agency, notifying her that she owed tax in the amount of \$585.15 on the cost incurred for storing her HHG for more than thirty days. Claimant stated in her request for review to this Board that the letter of debt was incorrect, as her HHG was not in storage for more than thirty days.

The agency's response to this Board stated that the initial letter of debt was incorrect, as claimant did not store her HHG for more than thirty days. However, a revised letter of debt was sent to claimant, dated December 12, 2019, indicating that the amount of \$585.15 is for taxes owed by claimant, but not withheld by the agency, on the cost of shipment of her HHG. As the agency correctly explained, the cost of shipment of HHG became taxable upon the passage of the Tax Cuts and Jobs Act of 2017, Public Law 115-97, which, effective January 1, 2018, suspended qualified moving expense deductions, along with the exclusion for employer reimbursements and payments of moving expenses, for tax years 2018 through

2025. As a result, various relocation expenses reimbursed to federal employees, including the shipment and storage of HHG, which were previously non-taxable, are taxable.

When claimant accomplished her PCS, the statute had been clarified for federal employees in FTR (Federal Travel Regulation) bulletin 18-05 (May 14, 2018) and FTR bulletin 19-02 (Nov. 27, 2018). Subsequently, these bulletins were rescinded and replaced by FTR bulletin 2020-02 (Dec. 4, 2019), after FTR amendment 2020-02, 84 Fed. Reg. 64,779 (Nov. 25, 2019), was issued, which included the final rule for FTR 302-17.8, governing this subject. *See also Heather E. McBride*, CBCA 6373-RELO, 19-1 BCA ¶ 37,346.

### Decision

The cost of shipment of HHG incurred by claimant during her PCS is taxable. We offer no opinion whether the amount of tax assessed by the agency is correct.<sup>1</sup>

*Allan H. Goodman*

ALLAN H. GOODMAN

Board Judge

---

<sup>1</sup> By statute, Congress has directed that, pursuant to regulations proscribed by the Administrator of General Services, agencies should reimburse relocated employees for “substantially all of the Federal, State, and local income taxes incurred . . . for any moving or storage expenses furnished in kind, or for which reimbursement or an allowance is provided.” 5 U.S.C. § 5724b(a) (2012). FTR 302-17 subparts B and C implement that statutory direction through the withholding tax allowance (WTA) and relocation tax allowance (RITA). *See Ruth C. Rodriguez*, CBCA 5152-RELO, 16-1 BCA ¶ 36,276.