UNITED STATES
CIVILIAN BOARD OF CONTRACT APPEALS

April 29, 2020

CBCA 6699-RELO

In the Matter of MICHAEL A. METJE

Michael A. Metje, Huntsville, AL, Claimant.

Tracey Z. Taylor, Assistant Center Counsel, United States Army Corps of Engineers, Alexandria, VA, appearing for Department of the Army.

VERGILIO, Board Judge.

The claimant, disputing a bill of indebtedness to the Government for payroll taxes and Medicare paid by the agency in connection with a relocation, demonstrates no error in the assessment or the calculation of the amount due.

Michael A. Metje, a civilian, completed a permanent change of station within the continental United States in February 2019, for which the Government paid and/or reimbursed various expenses and withholding amounts, including $1384.93 in FICA and Medicare taxes associated with moving expenses. In December 2019, the Department of the Army, United States Corps of Engineers (agency) sent a notice of debt collection. The agency seeks to recoup $1384.93 it paid; asserting that the Government is required to be reimbursed this amount under the Tax Cuts and Jobs Act of 2017, Public Law 115-97 (TCJA), and the Federal Travel Regulation (FTR). *E.g.*, 41 CFR 302-17.22(d) (2019); FTR 302-17.24 note, 84 Fed. Reg. 64,782 (Nov. 25, 2019). The notice provided the claimant with options to contest the debt, including contacting the agency or seeking a hearing at this Board. He sought our review and requests a hearing.

The Board lacks authority to hear or resolve debt collection cases for the agency. *Joshua W. Hughes*, CBCA 4892-RELO, 16-1 BCA ¶ 36,201 (2015).

The agency first suggests that the claim is premature under Board Rule 401(c) (48 CFR 6104.401(c)). We conclude otherwise. The claimant disputes the debt and underlying conclusion that he is liable for the taxes. To the extent that the agency describes the claim

as premature in connection with a relocation income tax allowance (RITA) claim, we find no claim for RITA reimbursement before us.

The agency also suggests that the claim is premature as a claim for relocation expenses. We addressed the same argument in *Joshua W. Hughes*, CBCA 6678-RELO (Mar. 16, 2020). As we explained there, the Board has recognized the futility of prolonging resolution by filing a claim when the agency has made a clear determination and the claimant offers no additional factual information that would alter that conclusion. While the "application of the exhaustion doctrine is 'intensely practical'" and is to be applied when further agency consideration concerning an issue would further the doctrine's underlying policies, *Bowen v. City of New York*, 476 U.S. 467, 484 (1986), here, the agency has considered the claimant's situation and found him indebted to the Government. The claimant offers no new information, and the agency does not specify how further agency review could be beneficial. Indeed, the agency argues that it acted correctly and urges us to deny the claim. Accordingly, the Board resolves the claim.

The claimant bears the burden to establish entitlement. While the claimant asserts a breach of contract, as the agency points out, the Board lacks authority to decide contract claims in this context. *Christopher R. Chin-Young*, CBCA 4797-RELO, 15-1 BCA ¶ 36,091.

The agency's reading of the TCJA is correct. The Act altered the tax treatment of certain travel and relocation expenses. The FICA and Medicare taxes associated with the claimant's relocation costs should have been deducted from his reimbursement. FTR 302-17.22(d), -17.24 note ("Your agency must deduct withholding for Medicare and FICA (Social Security) from your reimbursement for expenses such as househunting, as the WTA does not cover such expenses."). The claimant was not entitled to have the agency pay those amounts without reimbursing the Government. He must reimburse the Government and has shown no entitlement to relief.

The Board denies the claim.

Joseph A. Vergilio
JOSEPH A. VERGILIO
Board Judge