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**ARC Monthly Bulletin February 2018**  
*Valuable information for ARC's customers*

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**HEADLINES**

**Franchise Services**

1. Annual Test of Notification System

**Travel Services**

2. New Tax Law Makes More Relocation Expenses Taxable
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**FULL STORIES**

**1. Annual Test of Notification System**

On Tuesday February 20, 2018, we will conduct a test of our communication system. The system is intended to be used in an emergency event to initiate an automated phone notification informing our customers that we have activated our Business Continuity or Pandemic Plan, and that we will provide additional information regarding the event when possible. Designated points of contact at customer agencies should expect to receive an automated phone call on this day.

For additional information, contact Michael Satterfield at 304-480-5527 or [Michael.Satterfield@Fiscal.Treasury.Gov](mailto:Michael.Satterfield@Fiscal.Treasury.Gov).

**2. New Tax Law Makes More Relocation Expenses Taxable**

The "Tax Cuts and Jobs Act" was signed on December 22, 2017, making payments issued on or after January 1, 2018 taxable – regardless of when relocations expenses were incurred. The law also repealed the Moving Expense deduction and reduced the Supplemental Wage Withholding rate from 25% to 22%. The corresponding Withholding Tax Allowance (WTA) rate was also reduced.

Relocating employees and agency program offices are reevaluating the additional tax consequences when making mobility decisions, as previously deductible moving expenses are now considered taxable events.

In early December, 2017, the Relocation Services Branch (RSB) sent communication to agency contacts and relocating employees providing notification of the possible impending effects of the proposed tax bill. RSB continues to communicate with agency customers to interpret and apply the new tax regulations.

For additional information, contact Kim Fordyce at 304-480-5560 or [Kimberly.Fordyce@Fiscal.Treasury.Gov](mailto:Kimberly.Fordyce@Fiscal.Treasury.Gov).

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