

tax information for Active Duty Military and Reserve Personnel

Tax Benefits, Credits, and Other Information.

Military members and their families have life events that may affect their tax situation. This publication presents basic information about some of the tax issues Active/Reserve military personnel may encounter. For more information refer to the form or publication following each topic summary.

JOINT RETURNS

Generally, joint returns must be signed by both spouses. However, when one spouse is not available due to military duty, a power of attorney may be needed to file a joint return.

See *IRS Publication 3 and Form 2848*

ARMED FORCES PAY AND ALLOWANCES

Members of the Armed Forces receive many different types of pay and allowances. Some are included in gross income, while others are excluded from gross income. Certain excluded items are not subject to tax, but may have to be shown on your tax return.

See *IRS Publication 3*

MOVING EXPENSES

If you are a member of the Armed Forces on active duty and you move because of a permanent change of duty station you can deduct the reasonable unreimbursed expenses of moving yourself and members of your household.

See *IRS Publications 3 and 521*

SALE OF HOME

You may not have to pay tax on all or part of the gain from the sale of your main home. Usually, your main home is the one you live in most of the time. It can be a house, cooperative apartment, condominium, mobile home, or houseboat.

See *IRS Publication 523*

COMBAT PAY

If you serve in a combat zone as an enlisted person or warrant officer for any part of a month, your military pay received for military service that month is not taxable. For officers, the monthly exclusion is capped at the highest enlisted pay, plus any hostile fire or imminent danger pay received.

See *IRS Publication 3*

UNIFORM COST AND UPKEEP

If military regulations prohibit you from wearing certain uniforms when off duty, you can deduct the cost and upkeep of those uniforms, but you must reduce your expenses by any allowance or reimbursement you receive.

See *IRS Publications 3 and 529*

TRAVEL TO RESERVE DUTY

If you are a member of the US Armed Forces Reserves, you can deduct unreimbursed travel expenses for traveling more than 100 miles away from home to perform your reserve duties.

See *IRS Publications 3 and 463*

TAX CREDITS

You may be entitled to credits such as earned income credit, child tax credit, and certain education credits on your tax return. There are specific qualifications and requirements for each credit.

See *IRS Publications 17 and 596*

FORGIVENESS OF TAX LIABILITY

Tax liability can be forgiven, or if already paid, refunded, if a member of the U.S. Armed Forces dies:

- While on active service in a combat zone,
- From wounds, disease, or other injury received in a combat zone, or
- From wounds or injury incurred in a terrorist or military action.

Tax, for the year of death and possibly for earlier years, can be forgiven.

See *IRS Publication 3*

EXTENSION OF DEADLINES

The deadline for filing tax returns, paying taxes, filing claims for refund, and taking other actions with the IRS is automatically extended for qualifying members of the military.

See *IRS Publication 3*

ROTC STUDENTS

Subsistence allowances paid to ROTC students participating in advanced training are not taxable. However, active duty pay – such as pay received during summer advanced camp – is taxable.

See *IRS Publication 3*

TRANSITIONING BACK TO CIVILIAN LIFE

You may be able to deduct some costs you incur while looking for a new job. Expenses may include travel, resume preparation fees, and outplacement agency fees. Moving expenses may be deductible if your move is closely related to the start of work at a new job location, and you meet certain tests.

See *IRS Publications 3, 521 and 529*

FREE TAX RETURN ASSISTANCE

The Volunteer Income Tax Assistance (VITA) program offers free tax preparation for certain individuals. Military members can get assistance on tax credits and other military tax benefits at a military VITA site within their installation.

Military members not on an installation, can call 1-800-906-9887 or go to www.irs.gov (type in VITA site in the search box) to find a VITA site. Contact the site if you have unique military issues to find out if the VITA site has volunteers certified to prepare returns for military members.

FOR ADDITIONAL INFORMATION

All of the following forms and publications can be found on the Internal Revenue Service web site at www.irs.gov. For a free paper copy of any listed form or publication, please call **1-800-829-3676 (1-800-TAX-FORM)**. For additional information, you can call **1-800-829-1040**.

- **Form 2848**, Power of Attorney and Declaration of Representative
- **Publication 3**, Armed Forces Tax Guide
- **Publication 17**, Your Federal Income Tax
- **Publication 54**, Tax Guide for U.S. Citizens and Resident Aliens Abroad
- **Publication 463**, Travel, Entertainment, Gift and Car Expenses
- **Publication 501**, Exemptions, Standard Deduction, and Filing Information
- **Publication 503**, Child and Dependent Care Expenses
- **Publication 521**, Moving Expenses
- **Publication 523**, Selling Your Home
- **Publication 525**, Taxable and Nontaxable Income
- **Publication 527**, Residential Rental Property
- **Publication 529**, Miscellaneous Deductions
- **Publication 559**, Survivors, Executors, and Administrators
- **Publication 590**, Individual Retirement Arrangements (IRAs)
- **Publication 596**, Earned Income Credit
- **Publication 970**, Tax Benefits for Education
- **Publication 3920**, Tax Relief for Victims of Terrorist Attacks

