

IRS**News Release****Media Relations Office****Washington, DC****Tel. 202.622.4000****For Release: 4/3/03****Release No: IR-2003-43****IRS PROVIDES HELP TO GET TAX ASSISTANCE TO MILITARY FAMILIES;
NEW WEB PAGE CREATED FOR U.S. ARMED SERVICES**

WASHINGTON – The Internal Revenue Service has created a new section on its Web site containing important information to help ensure members of the U.S. Armed Forces serving in a combat zone get all of the tax benefits available to them.

The new information is available on the front page of IRS.gov by clicking on “Armed Forces Tax Benefits.”

The new section highlights several special tax provisions that apply to those in combat, which can include extensions for filing tax returns and paying taxes and exclusion of some military pay from taxes.

The new Web section includes:

- Questions and answers on exclusions, extensions and other tax benefits available to members of the Armed Forces serving in a combat zone.
- IRS Publication 3, Armed Forces’ Tax Guide, which covers the special tax situations of active members of the U.S. Armed Forces.
- Several recent news releases and notices, including Tax Tip 2003-41 – Reservists, New Enlistees May Get Deferral for Back Taxes; News Release IR-2002-18 – Tax Relief for Troops in Afghanistan Combat Zone; Notice 2002-17 – Tax Relief for those Involved in Operation Enduring Freedom.
- A special e-mail address for members of the U.S. Armed Forces, their spouses, authorized agents or representatives, which can be used to notify the IRS about someone serving in a combat zone. Details are available at www.irs.gov.

"At this important time, our dedicated military personnel in combat zones should not be worried about tax issues," said IRS Acting Commissioner Bob Wenzel. "We want each of them to receive all of the tax benefits that they are entitled to. We want all of our servicemen and servicewomen -- and their families -- to know that we are here to help."

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Generally, enlistees up to warrant officers (including commissioned warrant officers) **exclude** all their military pay received for military service in a combat zone. For commissioned officers, the monthly exclusion is capped at the highest enlisted pay, plus any hostile fire or imminent danger pay received. For 2002, this limit was \$5,532.90 and for 2003, it is \$5,882.70. Amounts excluded from gross income are not subject to federal income tax.

The IRS automatically **extends** the deadline for filing tax returns, paying taxes, filing claims for refund and taking other actions related to federal income tax for U.S. Armed Forces personnel serving in a combat zone. The IRS also extends the deadline for those in the U.S. Armed Forces deployed overseas away from their permanent duty station in support of operations in a qualified hazardous duty area but who are outside that area.

The deadline for filing returns, making payments or taking any other action with the IRS is extended for at least 180 days after:

- The last day of qualifying combat zone service, or
- The last day of any continuous qualified hospitalization for injury from the combat zone.

The IRS is currently working with the military to obtain information about reservists and regular military personnel serving in combat areas. During this interim period, people in the military, their spouses or their authorized representatives have several options to claim the filing extensions or filing exclusions:

- When filing returns, mark "Combat Zone" at the top of the form along with the date of deployment.
- Contact the IRS through the special e-mail address at IRS.gov. Correspondence should include the name, date of birth, and date of deployment of the service member. (No Social Security numbers should be included in the e-mail.) The IRS emphasizes only military-related e-mails should go to this address. Calls can also be made to the main IRS help line at 800-829-1040.

These two steps also apply if a notice inadvertently goes to an individual serving in a combat zone or his or her spouse. The notice can be deferred by following the e-mail steps or by sending the notice back to the IRS marked with the words "Combat Zone" and the date of deployment.

The IRS plans to take additional steps and provide additional guidance on issues involving military personnel and combat zones. This new information will also be posted to the Armed Forces page of IRS.gov.