

Alert: W 03156

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Additional Combat Zone Information

We have received some questions regarding Merchant Mariners being covered by Combat Zone relief provisions specified under Section 7508 of the Internal Revenue Code, if they are serving aboard vessels under the operational control of the Department of Defense.

When DOD activates a vessel the operational control shifts to the Military Sealift Command, a component of DOD. At present, several MARAD vessels are carrying military supplies for military troops that may participate in CZ operations. Merchant Mariners onboard those vessels are considered in a combat zone arena and are due the extensions that apply to members of the armed forces serving in a CZ. They are not eligible to exclude pay under Section 112.

Activities specifically mentioned include the filing of tax returns, the payment of income, estate or gift taxes (except employment and withholding taxes), tax claims filings or bringing suits for credits or refunds, filing any petition with the U.S. Tax Court, making a qualified retirement contribution to an IRA, or performing any other act listed in Revenue Procedure 2002-71.

No penalties or interest will be imposed for failure to file a return or pay taxes during the extension period (this basic postponement period is for the time in the combat zone plus 180 days).