

**IRS****News Release****Media Relations Office****Washington, D.C.****Tel. 202.622.4000****For Release: 2/11/02****Release No: IR-2002-18****TAX RELIEF FOR TROOPS IN AFGHANISTAN COMBAT ZONE**

WASHINGTON – The Internal Revenue Service today issued guidance on the relief that the tax law provides to troops serving in Afghanistan. President Bush has declared Afghanistan and its airspace to be a combat zone, starting Sept. 19, 2001.

Service outside Afghanistan is considered to be in the combat zone if it is in a country where the Department of Defense has certified that such service is in direct support of military operations in the combat zone and qualifies the person for special military pay for duty subject to hostile fire or imminent danger. To date, the Defense Dept. has certified that service in Jordan, Pakistan and Tajikistan on or after Sept. 19, 2001, and service in Kyrgystan and Uzbekistan on or after Oct. 1, 2001, so qualifies.

Members of the U.S. Armed Forces and support personnel serving in the combat zone, and their spouses, will not have to file their 2001 income tax returns until at least 180 days after they leave that area. No interest or penalties will be charged during this extension period on any tax due for 2001.

The IRS will also suspend all tax return examinations and actions to collect back taxes owed by these taxpayers for years prior to 2001 until at least 180 days after the taxpayer leaves the combat zone. During this suspension, no interest or penalties will be added to the tax due.

Military pay received by enlisted personnel is exempt from income tax for any month that the person spends any time in the combat zone. For commissioned officers, this exclusion is limited to the highest rate of enlisted pay, plus imminent danger/hostile fire pay.

Taxpayers covered by these relief provisions should put the words "Enduring Freedom" in red at the top of their tax returns. If they receive a notice from the IRS regarding a collection or examination matter, they should return the notice to the IRS, with the words "Enduring Freedom" at the top of the notice and on the envelope, so that IRS can suspend the action.

Notice 2002-17 contains details on the combat zone tax relief for those in Afghanistan. It will be in Internal Revenue Bulletin 2002-9, dated Mar. 4, 2002, and will be available at the IRS Web site, [www.irs.gov](http://www.irs.gov), later this week. IRS Publication 3, "Armed Forces' Tax Guide," has information on various tax issues affecting the military. It is available at the IRS Web site or by calling 1-800-TAX-FORM.

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