

California Tax Information For Military Personnel

Involved in Operation Allied Force, Operation Joint Endeavor or Operation Desert Storm

Introduction

In most cases California law is the same as federal law on income exclusions and filing extensions for military personnel on duty outside the United States. For additional information obtain a copy of the IRS Publication 3, Armed Forces' Tax Guide. In addition, FTB Pub. 1032, Tax Information For Military Personnel, answers questions regarding California filing requirements, residency and filing status.

Do I have to file my return by April 15, 1999?

No. Military personnel on duty outside the United States are allowed a filing extension of up to 180 days after returning from overseas to file their California income tax returns, without interest or penalty. For married persons filing a joint return, only one spouse needs to meet the requirement to qualify for the extension.

To use this extension provision:

- If you served in a combat zone or a qualified hazardous duty area, print the name of the conflict ("**OPERATION DESERT STORM**," "**OPERATION JOINT ENDEAVOR**" or "**OPERATION ALLIED FORCE**") in red ink at the top of your return when you file.
- If you did not serve in a combat zone or in a qualified hazardous duty area, print "**MILITARY OVERSEAS**" in red ink at the top of your return when you file.

Do I need to obtain a Power of Attorney from my spouse in order to file my return now?

No. California generally does not require a formal Power of Attorney in the same manner as the IRS. If your spouse is on active duty outside the U.S., you may file a joint return now by attaching a statement to the return explaining the circumstances and signing the return on behalf of your spouse. When signing the return, be sure to indicate on the signature line that you are signing the return for your spouse, (Mary Smith for John Smith).

Is any of my military income exempt from tax?

Yes. If you are an enlisted member, warrant officer, or commissioned warrant officer and you serve in a combat zone or a qualified hazardous duty area during any part of a month, all of your military pay for that month is excluded from your income. You can also exclude military pay earned while you are hospitalized as a result of wounds, disease, or injury incurred in the combat zone/qualified hazardous duty area. The exclusion of your military pay while you are hospitalized does not apply to any month that begins more than 2 years after the end of combat activities in that combat zone/qualified hazardous duty area. Your hospitalization does not

have to be in the combat zone/qualified hazardous duty area.

If you are a commissioned officer (other than a commissioned warrant officer), you may exclude your pay according to the rules just discussed. However, the amount of your exclusion is limited to the highest rate of enlisted pay (plus imminent danger/hostile fire pay you received) for each month during any part of which you served in a combat zone/qualified hazardous duty area or were hospitalized as a result of your service there.

Areas that have been designated a combat zone or a qualified hazardous duty area and the effective date of the designation include:

- **OPERATION DESERT STORM** — The Persian Gulf was declared to be a combat zone effective January 17, 1991.
- **OPERATION JOINT ENDEAVOR** — Bosnia and Herzegovina/Croatia/Macedonia was declared to be a qualified hazardous duty area effective November 21, 1995.
- **OPERATION ALLIED FORCE** — Kosovo (Yugoslavia/Serbia/Montenegro/Albania) was declared to be a combat zone effective March 24, 1999.

What if I am involved in an audit or have received correspondence?

In most cases we will defer any audit activity for up to 180 days following your return to the United States.

Contact us or have your authorized representative contact us at the number shown on the correspondence you received from us or see "Do you need additional help?" for our general assistance telephone numbers. You will be asked to provide the following information:

- Copy of assessment or letter concerning the audit;
- Name and social security number;
- Branch of service;
- Unit name and number; and
- Mailing and/or permanent address.

What if I owe back taxes?

In most cases you will be able to defer payment of back taxes, without interest or penalties, for up to 180 days following your return to the United States.

You should contact us or have your authorized representative contact us at the number listed on the next page. You will be asked to provide the following information:

- Name and social security number;
- Branch of service;
- Unit name and number; and
- Mailing and/or permanent address.

Do you need additional help?

For additional information, please call us at the number listed below.

Our general toll-free telephone service is available Monday through Friday, 7 a.m. until 8 p.m. The best times to call are before 10 a.m. and after 6 p.m.

From within the United States, call . . (800) 852-5711

From outside the United States, call

(not toll-free) (916) 854-6500

For federal tax questions, call the Internal Revenue Service (800) 829-1040

Bilingual Assistance. Para obtener servicios en español y asistencia para completar su declaración de impuestos o formularios, llame al número de teléfono (anotado arriba) que le corresponde.

Hearing Impaired. Toll-free phone service is provided for the hearing impaired with a Telecommunications Device (TDD). Call (800) 822-6268. Franchise Tax Board will also accept calls for, and relay messages to, any California state agency.

Do you need tax forms?

Internet: If you have Internet access, you may download, view and print California tax forms and publications. Go to our website: **www.ftb.ca.gov**

Phone: Call our general telephone service at the numbers shown above.