

DoD Tells Service Members “Don’t Worry” About Scary IRS Mistake

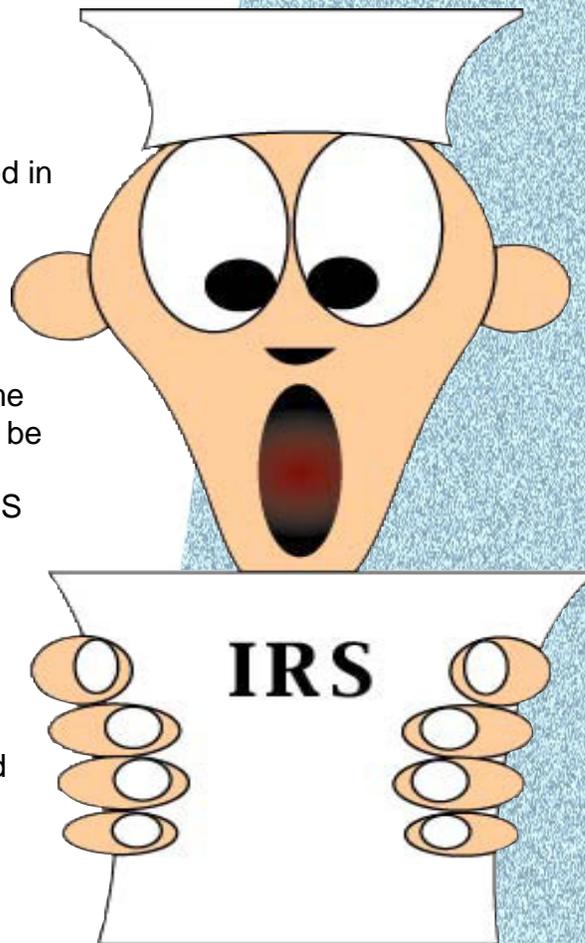
As many as 60,000 service members who served in combat zones over the past several years recently received letters from the IRS saying they may lose their tax exclusion for that combat-zone duty. But DoD is telling the troops not to worry about it.

The IRS letters set response deadlines on service members — as soon as late January in some cases — or their combat zone tax exemption would be denied.

The Armed Forces Tax Council notes that the IRS never intended to take away anyone’s eligibility for tax exemption. Apparently an IRS service center sent the letters without coordinating with IRS headquarters.

The IRS is trying to update records, but made a mistake in wording the letters so strongly. There’s no problem if service members have already replied to the faulty letters, but those who haven’t can disregard them. The IRS plans to mail a second letter explaining the error and telling service members to ignore the first letter.

DoD has a good working relationship with the IRS and had no problem getting this matter resolved.



Captain's Call Kit
Naval Media Center, Bldg. 168
2713 Mitscher Rd., SW
Anacostia Annex, DC 20373-5819
E-mail: pubs@mediacen.navy.mil
DSN 288- or (202) 433-4380
Fax: (202) 433-4747

For additional information about the IRS and tax filing, go to www.irs.gov, or contact your local Navy Tax Assistance Center.

NAVY

newsstand
www.news.navy.mil