



Captain's Call



Military W-2s help determine Tax Credit Eligibility

The 2004 W-2 forms for military members will now report pay earned while serving in a Combat Zone Tax Exclusion (CZTE) area.

This information provides members the opportunity to determine their eligibility for Earned Income Tax Credit (EITC) and Child Tax Credit (CTC).

The CZTE pay information will be listed separately in Block 14 of the member's W-2 form and will not be included with taxable wage information (Block 1).

EITC and CTC qualifications are based on gross income, which includes pay earned while in a CZTE area. The addition of this information on 2004 W-2s will aid in determining whether a member meets the IRS requirements for EITC and CTC, and which method of computing taxes is most advantageous to each member's individual situation.

The 2004 W-2s are available online. Log onto myPay (<https://mypay.dfas.mil/mypay.aspx>) to check W-2 availability.

For more information on the Earned Income Tax Credit, Child Tax Credit, or other tax issues, contact a unit tax advisor or finance office.

Information is also available in the **Armed Forces Tax Guide 2004** at www.irs.gov/pub/irspdf/p3.pdf and the **Internal Revenue Service Web** site at www.irs.gov.

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