

Deployment Related Tax Benefits

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The Heidelberg Tax Center is committed to the complete and accurate filing of the community's taxes. Servicemembers and civilians who serve in a combat zone are entitled to certain tax benefits. The most notable of these benefits are the automatic filing extension and the gross income exclusion. We encourage each community member to use their local tax center for its expertise and free services.

Tax Filing Extensions

Qualified individuals serving in a Combat Zone (CZ) or Qualified Hazard Duty Area (QHDA) are entitled to certain federal income tax filing extensions. These automatic extensions allow qualified military members and civilian employees, and their spouses, to file their taxes at least 180 days after they return from the CZ or QHDA. To suspend an IRS action in progress simply send an email to combatzone@irs.gov and provide the deployed person's name, address, date of birth, and date the deployment began. For security reasons do not provide a social security number. This email will suspend IRS action until at least 180 days after the deployment terminates.

If a spouse did not procure a power of attorney for tax filing purposes prior to deployment he/she may still file married filing jointly. Simply fill out a Form 2848 when you file with the tax center and the spouse may sign for the deployed person. Also, attach a statement that explains that the spouse is serving in a combat zone. This option is not available for persons who are married filing separately.

Gross Income Exclusions

Qualified individuals serving in a CZ or QHDA are eligible for certain gross income exclusions. These exclusions allow qualified military members, but not civilian employees, to exclude most types of income while serving in a CZ or QHDA. Spending even one day of a given month in a CZ or QHDA qualifies the military member for an exemption of taxes for the entire month. However, all pay received in a CZ or QHDA is still subject to Social Security and Medicare tax. Keep in mind that even if a person is deployed for an entire year that they must still file taxes or risk losing the gross income exclusion. These extensions and exclusions apply only to Federal taxes. Please be prepared to discuss state specific issues during your appointment with the certified tax preparer.

Tax season is upon us. Start gathering the following documents for your return: W-2, 1099, Social Security Cards or ITIN and picture ID. Additional documents you may need to bring, if applicable: Economic Stimulus Dollar Amount, Child Care Provider's Information and Child Care Costs, Rental Property, Mortgage Interest Statements and 2007 tax return. If married filing jointly both tax filer and spouse must be present to file the tax return. If one spouse can not be present, then he/she will need to

visit the legal assistance office to acquire a power of attorney. Please call to schedule an appointment beginning on 26 JAN 09 at DSN 370-7510 or civilian 06221-57-7510. We are located at Bldg. 3860 at the Shopping Center and our grand opening is 02 FEB 09. We look forward to your visit.