



# STAFF JUDGE ADVOCATE FORT HUACHUCA, AZ



## INCOME TAX MATTERS

Consider these questions and answers to determine certain tax options and benefits.

### **Q: WHAT ARE MY OPTIONS CONCERNING FILING TAXES WHILE I AM DEPLOYED?**

A: There are three options for filing taxes if a soldier is deployed during the regular tax season:  
(1 Jan – 15 April).

1. A Soldier may file taxes normally before he or she deploys if he or she deploys sometime during the regular tax season.

2. A Soldier may have their spouse or another individual prepare taxes for them while they are deployed if they provide that individual a **special power-of-attorney** specifically for taxes.

3. When a soldier is deployed the IRS suspends any action in regard to their taxes, so a deployed Soldier may simply wait to file their taxes until they return home.

When a Soldier leaves a qualified combat zone, he or she receives an automatic 180 day extension to file their taxes, plus whatever time was left in the regular tax season when the Soldier first deployed.

- Ex. If a Soldier deployed on 1 Dec, he would have 285 days to file his taxes from the time that he leaves a qualified combat zone. He would automatically receive a 180 day extension plus the number of days left in the tax season when he deployed. There were 105 days left in the regular tax season when he deployed (1 Jan – 15 Feb), therefore 180 days + 105 days = 285 days to file.

### **Q: DO I QUALIFY FOR THE FIRST TIME HOMEBUYER'S CREDIT?**

A: If you buy a home to be used as your primary residence by 30 April 2010 you may qualify for a tax credit worth up to \$8000. For Soldiers who are deployed for at least 90 days beginning after 31 December 2008 and ending before 1 May 2010, the deadline to buy a house and qualify for the credit is extended to 30 April 2011. A "First Time Homebuyer" includes those who have not owned a primary residence in the United States for 3 years prior to buying this residence. Those who have maintained the same primary residence for 5 out of the last 8 years ending on the date a new primary residence was purchased may qualify for a tax credit worth up to \$6500.

### **Q: CAN MY NON-MILITARY SPOUSES INCOME BE TAXED BY THE STATE?**

A: If a Soldier and a spouse share the same domicile (state of legal residence), that spouse is exempt from taxation in a state that he or she has moved to merely as a result of their spouse's military orders. The spouse (and the Soldier) will still be taxed by the states in which they are domiciled. Domicile is a legal term of art and it is sometimes a complicated process to determine where one is domiciled. Domicile is based on the intent to make a state your permanent home, but must be backed up by objective evidence. Evidence as to where you are domiciled MAY include: where you vote, where your cars are registered, where you own a home, etc.