

FACT SHEET

OSJA
Mrs. LeeAnna George (286-5062)
4 January 2017

AFZF-JA-LA

SUBJECT: Fort Hood Tax Center – Tax Year 2016

1. **PURPOSE:** To provide information about the services offered by the Fort Hood Tax Center (FHTC).
2. **FACTS:** The FHTC is **open** from **23 Jan – 18 Apr 2017**. The FHTC main information phone number is (254) 288-7995. Questions may be directed to the FHTC at (254) 288-7995 and (254) 287-3294.
 - a. **Location.** The FHTC is located in the Fort Hood Consolidated Client Services building, building 13, on 52d Street (just West of the III Corps Headquarters Building). The FHTC has its own entrance at the back (West side) of the building.

Children in the facility: Space is limited in the waiting room and tax preparation area. As such, children are not allowed in the tax preparation area and there are no facilities to care for them at the FHTC. Children cannot be left alone in the waiting area.
 - b. **Hours.** Hours of operation are Mon – Wed & Fri, 0930-1700, Thu, 0930-1900. The FHTC is closed on Saturday, Sunday, all federal holidays and III Corps training holidays.
 - c. **Appointments only.** The FHTC provides tax assistance on an **appointment basis**. We will begin scheduling appointments on Thu, 19 Jan for the weeks of 23 and 30 Jan 2017.
 - d. **1040EZ Drop-off.** The FHTC has a 1040EZ drop-off program. These customers will complete the questionnaires, be screened, and provide all the necessary documents for tax return preparation. Following two duty days, the client will need to return to the FHTC to sign the return so we can electronically file it or you can pick it up and mail in.
 - e. **Eligibility & Services Offered.** Tax services are **free** to all active duty Soldiers, Retirees, and their authorized family members. In addition, services are available to Reserve and National Guard Soldiers serving in Title 10 status for at least 30 days, and their authorized family members. Services offered include: (1) distribution of federal income tax forms; (2) assistance with and preparation of federal and state income tax returns; (3) electronic filing of eligible current year federal and state tax returns; and (4) direct deposit of refunds or automatic debit of tax owed.
 - f. **What is Required?** FHTC taxpayers need to bring their military issued ID cards and all tax-related documents, including income information such as W-2 forms, 1099 forms, records of child-care expenses and child-care provider information, power of attorney (if spouse is unavailable), and a social security card for each Family member shown on the return. Powers of attorney must specifically state 'for income tax' **and** for which tax year the agent is allowed to file. For direct deposit of refunds or electronic debit of amount owed, you must provide the routing number and account number to the banking facility, as well as the type of account (an account card or a check that we can make a copy of are highly encouraged – we cannot accept deposit slips).
 - g. **Limitation of Services.** Unfortunately, there are limitations regarding the tax services the FHTC can provide (1) Rental property – Assistance is provided for up to three rental properties. A multi-family residence counts as the number rentable units it has. (2) Sale of stock – Assistance provided for up to 10 stock sales. If the 1099-B has a roll-up of totals, we will enter the total and print out the return for the taxpayer to mail in to the IRS, and attach the 1099-B to the return. (3) Self-Employment/Personal Business – Returns with self-employment income or for businesses are not prepared. An exception is made for: (a) childcare providers who are located on Fort Hood and are registered Family Child Care providers; and (b) an individual with a 1099-Misc and income in block 7, and not claiming any expenses. Any other individuals with self-employment or a personal business must prepare their own Schedule C or seek assistance elsewhere. If a Schedule C is prepared, the FHTC will enter the figures provided by the taxpayer and retain the Schedule C with our records. We reserve the right to decline to prepare a return based on the figures on the Schedule C.

h. **Tax Briefings.** The Post Tax Officer (PTO) is available to provide briefings to units, Family support groups or similar organizations on basic tax information and FHTC operations. Call 254-288-5036 to schedule a briefing.

i. **State Taxes.** State tax returns will be prepared if the information is completed on the FHTC questionnaire. Some state returns may be able to be electronically filed, but, the federal return must first be accepted and then the state return can be filed. Our facility must electronically file the federal return in order to electronically file the state return.

j. **Prior Year Taxes.** The separate Fort Hood Tax Office will prepare prior year federal and state tax returns (for 2015 and earlier), amendments, as well as assist with responding to correspondence from the IRS or a state tax authority by appointment. Call 288-5040 to schedule an appointment. The Fort Hood Tax Office is also located in the Fort Hood Consolidated Client Services building.

QUALIFYING FOR COMBAT ZONE TAX BENEFITS

1. PURPOSE: To provide information on the various tax benefits afforded to Soldiers who serve in a Combat Zone (CZ), Qualified Hazardous Duty Area (QHDA), or area "in direct support" of a combat zone.

2. What are the current CZs? For tax year 2016, there are three current operations designated CZs: **(a)** Executive Order 12744 designates the Persian Gulf, Red Sea, Gulf of Oman, Gulf of Aden, the Arabian Sea north of 10 degrees north latitude and west of 68 degrees east longitude, Iraq, Kuwait, Saudi Arabia, Oman, Bahrain, Qatar, and the United Arab Emirates and the airspace above these locations as a CZ effective 17 Jan 1991. **(b)** Executive Order 13119 designates the former Federal Republic of Yugoslavia (Serbia/Montenegro), Albania, the Adriatic Sea, the Ionian Sea north of the 39th parallel and the airspace above these locations as a CZ effective 24 Mar 1999. **(c)** Executive Order 13239 designates Afghanistan/airspace as a CZ effective 19 Sep 2001.

3. What are the benefits of serving in a CZ, QHDA, or "in direct support" of a CZ? The most significant benefits include: **(a)** Providing a 180-day extension after departing the combat zone for filing, paying, and performing certain other tax related acts, plus the possible addition of extra days. The deadline is extended for every day left in the filing season when the Soldier entered the CZ/QHDA. These provisions apply to spouses, certain civilians in the combat zone in support of the U.S. Armed Forces, such as Red Cross personnel, accredited correspondents, and civilian personnel acting under the U.S. Armed Forces direction. **(b)** IRC § 112 - Allows enlisted Soldiers and warrant officers (but not civilians) to exclude from gross income all compensation received during the months spent in a CZ/QHDA. Commissioned officers can exclude up to the highest enlisted Soldier's pay (\$7,894.50) plus the hostile fire pay amount (\$225.00) (for 2015 the maximum amount is \$8,119.50 per month). If a Soldier spends any part of a month in the CZ/QHDA, compensation for that entire month is excluded. The Soldier's servicing finance office must be notified of service so that the Soldier's W-2 accurately reflects excluded pay. **(c)** Other potential benefits are IRC § 2(a)(3) (special rule for "surviving spouse status" if MIA service member is later determined to be deceased); IRC §692 (death in a CZ results in tax free wages); IRC §4253(d) (exempts from excise tax toll telephone calls originating from a CZ); and IRC §6013(f)(1) (allows surviving spouse to file a joint return if service member is MIA). Additional benefits may apply if a Soldier is hospitalized due to injury or disease occurring in the combat zone.

4. IRS Changes Affecting Activated/Deployed Reservists and Active Duty Soldiers

(a) CZ/QHDA/ "direct support" of CZ excluded income may be included to allow Earned Income Credit (EIC). The IRS now allows the inclusion of excluded combat pay for purposes of determining a Soldier's eligibility for and amount of EIC. **(b)** IR-2006-152 allows activated reservists to withdraw payments from their individual retirement accounts, 401(K) plans, and 403(b) tax-sheltered annuities without having to pay the early withdrawal penalty. **(c)** The Heroes Earned Retirement Opportunities (HERO) Act, signed into law on Memorial Day 2006, allows taxpayers to count tax-free combat pay for purposes of determining whether they qualify to contribute to a Roth or traditional IRA.

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