



Tax Relief for Individuals Serving In and In Support of the Iraq Combat Zone

Because of the ongoing military action in Iraq, Governor Pataki is reminding members of the military that under the authority of section 696 of the New York State Tax Law, individuals serving in the Armed Forces, or serving in support of the Armed Forces, in the combat zone will receive significant New York State tax relief. Service members directly supporting operations in Iraq from other locations, who are receiving imminent danger pay or hostile fire pay, are deemed to be serving in the combat zone.

The relief described in this notice also covers individuals serving in any other designated combat zone or qualified hazardous duty area that remains in effect, such as Afghanistan.

New York State tax relief for the members of the Armed Forces and support personnel who are serving in a combat zone includes:

- An extension of time to file New York State personal income tax returns until at least 180 days after departure from the combat zone, with no penalty or interest charges. The deadline for payment of taxes, including any installment of estimated tax, is similarly extended. These extensions of time do not apply to withholding taxes and returns.
- A suspension from all New York State personal income tax return examinations and collections for the same period of time.
- Exemption from New York State personal income tax for military pay received while serving in the combat zone to the extent that military pay is exempt from federal income tax.
- Payment of interest on overpayments of personal income tax from the original due date of the return, if the return is filed by the extended due date.

The same relief provisions apply to those hospitalized as a result of injury sustained while serving in the combat zone. The extension of time for those hospitalized will be until at least 180 days after the later of the date of discharge from the hospital or the date of departure from the combat zone.

Spouses of those qualifying under these provisions are also entitled to this relief.

Also, if a member of the Armed Forces or support personnel dies as a result of serving in the combat zone, New York State personal income tax will not be imposed for any tax year during which the decedent served in the zone. Any unpaid personal income tax for years prior to service in the combat zone will be waived. Further, the New York State estate tax will be forgiven.

Taxpayers who are eligible for the tax relief described in this Notice should write **COMBAT ZONE** at the top of their 2002 tax return.

In addition, the Tax Department will not send tax bills to personnel known to be serving in the combat zone. Once a taxpayer (or his or her spouse) is identified as serving in the zone, collection action against any and all personal income tax liabilities of this taxpayer (or spouse) will be suspended immediately. If an audit or collection notice is sent to a person serving in the combat zone, simply mark the notice **COMBAT ZONE** and return it to the address indicated on the notice.

Using discretionary power, the Tax Department is granting members of the Armed Forces and support personnel impacted by the military action in Iraq, who are not otherwise eligible for the combat zone tax relief, a six-month extension of time to file their 2002 New York State personal income tax return and to pay any tax due. However, interest will be due on any unpaid tax from the original due date of the return. Taxpayers who qualify for this relief should write **COMBAT ZONE-ASSIST** at the top of their 2002 tax return.

In addition to the combat zone relief described above, the members of the Armed Forces or support personnel may be entitled to other relief described in Publication 361, *New York State Income Tax Information for Military Personnel and Veterans*. The relief described in the publication includes information about: (1) relief for taxpayers who owe back income taxes to New York State who after departure from the combat zone may qualify for an additional period of deferral of the collection of the taxes; and (2) relief for taxpayers serving in the combat zone who have a liability for a New York State tax (other than personal income tax), who may be eligible for the interest rate benefit. (See information below about obtaining Publication 361.)

Personnel staffing the Tax Department's telephone information lines have been instructed in procedures involving those serving in combat zones. (For help, see the *Need Help* box below.) Information, including Publication 361, is available on the Tax Department's Web site at www.tax.state.ny.us

From locations within the United States and Canada, Publication 361 can also be obtained by fax by using the Tax Department's fax-on-demand system. The fax-on-demand forms ordering system may be accessed 24 hours a day, seven days a week, by calling 1 800 748-3676. Callers may order forms from any touch-tone phone by entering a special five-digit code number assigned to the form. Publication 361 can be ordered by entering the five-digit code 16137. The system will transmit to any fax machine having a three-digit area code, generally within five minutes of the request.

Need Help?



Telephone assistance is available from 8:00 a.m. to 5:55 p.m. (eastern time), Monday through Friday.

For tax information: 1 800 225-5829

To order forms and publications: 1 800 462-8100

Refund status: (electronically filed) 1 800 353-0708
(direct deposit) 1 800 321-3213
(all others) 1 800 443-3200

(Automated service for refund status is available 24 hours a day, seven days a week.)

From areas outside the U.S. and outside Canada: (518) 485-6800



Fax-on-demand forms: Forms are available 24 hours a day, 7 days a week

1 800 748-3676



Internet access: www.tax.state.ny.us

(for forms, publications, your refund status, to check your estimated tax account, and other information)



Hotline for the hearing and speech impaired:

1 800 634-2110 from 8 a.m. to 5:55 p.m.(eastern time), Monday through Friday. If you do not own a telecommunications device for the deaf (TDD), check with independent living centers or community action programs to find out where machines are available for public use.



Persons with disabilities: In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, please call 1 800 225-5829.



If you need to write, address your letter to:

NYS TAX DEPARTMENT
TAXPAYER CONTACT CENTER
W A HARRIMAN CAMPUS
ALBANY NY 12227