



New York State Tax Information for Operation Allied Force (Kosovo) Personnel

Governor Pataki has signed legislation, introduced at his request, conforming New York's tax relief provisions to the federal tax relief provisions granted to members of the armed forces and support personnel serving in a *qualified hazardous duty area* as part of Operation Allied Force.

Serving in a *qualified hazardous duty area* means serving in the Republic of Yugoslavia (Serbia/Montenegro), Albania, the Adriatic Sea, and the northern Ionian Sea (above the 39th parallel) during the period for which any member of the armed forces is entitled to *special pay* under federal law for services performed in the area. The term also includes any area in which services are performed by an individual who is part of Operation Allied Force and who is outside the U.S. while deployed away from his or her permanent duty station.

New York State is granting these members of the armed forces and support personnel:

- An extension of time to file their New York income tax returns or gift tax returns until at least 180 days after departure from the qualified hazardous duty area, with no penalty or interest charges. The deadline for payment of taxes, including any installment of estimated tax, is similarly extended.
- A suspension from all New York tax return examinations and collections for the same period of time.
- Exemption from New York personal income tax for military pay received while serving in a qualified hazardous duty area to the extent that military pay is exempt from federal income tax.
- Interest on overpayments of income tax or gift 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 a qualified hazardous duty area.

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 a qualified hazardous duty area, no New York State personal income tax or gift tax will be imposed for any tax year during which the decedent served in the area. Further, the New York State estate tax will be forgiven.

In addition to the relief described above, these personnel may be entitled to other relief described in Publication 361, *New York State Income Tax Information for Military Personnel and Veterans*.

Taxpayers who are eligible for the tax relief described above should write **KOSOVO** at the top of the 1998 tax return when it is filed with the Tax Department.

In addition, the Tax Department is doing everything possible to avoid sending tax bills to personnel serving in a qualified hazardous duty area. Once a taxpayer (or his or her spouse) is identified as serving in a qualified hazardous duty area, collection action will be suspended immediately against any and all tax liabilities of this taxpayer (or spouse). The Department is making every effort to identify New York taxpayers serving in a qualified hazardous duty area. However, if an audit or collection notice is inadvertently sent to a person serving in a qualified hazardous duty area, simply mark the notice **KOSOVO** and return it to the address indicated on the notice.

Using discretionary power, the New York State Tax Department is granting members of the armed forces and support personnel impacted by Operation Allied Force, who are not serving in a qualified hazardous duty area, a six-month extension of time to file their 1998 New York 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. Individuals who qualify for this relief should write **KOSOVO - ASSIST** at the top of the 1998 tax return when it is filed with the Tax Department.

Personnel staffing the Tax Department's information lines have been instructed in the new procedures involving those serving in the Kosovo area. If you need assistance, you can call toll free 1 800 225-5829 from the United States and Canada. If you are calling from areas outside the U.S. and Canada, call (518) 485-6800. Information, including Publication 361, is available on the Tax Department's website 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. The system allows callers to 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 10026. The system will transmit to any fax machine having a three-digit area code, generally within five minutes of the request.