



# TAX INFORMATION MEMORANDUM

30 Mar 2011

02-11

## Code 16 POCs

CDR Andy Smith  
Division Director  
202-685-5393  
andrew.a.smith1@navy.mil

Ms. Kate Somerville  
Deputy Division Director/  
Navy Tax Counsel  
202-685-4639  
kathlene.somerville@navy.mil

LT Janelle Kuroda  
VITA/ELF Program Mgr.  
Action Officer  
202-685-4641  
janelle.kuroda@navy.mil

LT Becky Oldfield-Frey  
Action Officer  
202-685-4637  
rebecca.oldfield-fre@navy.mil

Mr. Mike Cole  
Immigration Paralegal  
202-685-4643  
michael.s.cole1@navy.mil

OJAG, Code 16

1322 Patterson Ave SE

Suite 3000

Washington Navy Yard, DC 20374

Phone: 202.685.4643

Fax: 202.685.5486

**Subj: Tax Filing Deadlines Unaffected by Recent Events in Japan, Bahrain, and Libya**

### 1. Tax filing deadlines for personnel in Japan and Libya.

a. Contingency operation extensions do not apply at this time. Servicemembers participating in, or in support of, contingency operations overseas receive an automatic extension to file tax returns and pay any tax they may owe. The extension for contingency operations is 180 days after the last day the individual serves in the contingency operation plus the number of days remaining for the individual to file when he or she began serving in the contingency operation. At this time, Operation Tomodachi does not fit the definition of a contingency operation, and Operation Odyssey Dawn has not been declared as a contingency operation. Therefore, these individuals will need to rely on existing Internal Revenue Service (IRS) extensions if they require more time to file their tax returns.

b. Overseas personnel. Personnel assigned overseas, including Japan, receive an automatic two-month extension to 15 June 2011 to file and pay their 2010 income taxes. This extension is automatic for servicemembers on an assigned tour outside the United States and Puerto Rico on 18 April 2011. This extension also applies to U.S. citizens or resident aliens who live outside the U.S. and Puerto Rico whose main place of business or post of duty is outside the U.S. or Puerto Rico. Overseas personnel and dependents who return to the U.S. before 18 April 2011 on a temporary basis, including those who evacuated Japan, qualify for the automatic two-month extension because they are still considered to be assigned overseas (so long as they are not reassigned to the U.S.).

As a reminder, this automatic two-month extension is for filing and paying only, so taxpayers who *owe* taxes (and will not have a refund from the IRS) will be charged interest on any unpaid amounts beginning 18 April. However, they will not be charged a late payment penalty or a late filing penalty. Please note that a majority of active duty personnel do not owe any taxes and will receive a refund from the IRS. Personnel who are married and file a joint return need only one spouse to qualify for both to use the extension. If filing separately, each spouse must separately qualify as living overseas to use the extension. To use this automatic extension if filing after 18 April, you must attach a statement to your return explaining which situation qualifies you for the extension. If you file at a military VITA center, the tax preparer can enter the overseas extension explanation on your electronic return.

c. Personnel stationed in the U.S. who are participating in overseas operations *not* in a designated Combat Zone. Even if not assigned overseas, personnel who are participating in Operation Tomodachi, Operation Odyssey Dawn, or other operations which are not designated contingency operations and not in a combat zone will receive an automatic two-month extension until 15 June 2011 to file their 2010 income taxes if they are outside of the U.S. or Puerto Rico on 18 April 2011. If these individuals return to the U.S. before

18 April 2011, they must file their tax return by 18 April 2011 to avoid being charged interest on any amount they *owe* or any penalties for late payment.

d. Additional extension to 17 October 2011. Taxpayers who require additional time to file their return may file IRS Form 4868 to request an extension until 17 October 2011. In order to qualify for this extension, Form 4868 must be filed by the regular due date of the return, which is 18 April 2011 for taxpayers in the U.S., or 15 June 2011 for those who are overseas. Be sure to check the box on line 8 for the full additional time to file. Taxpayers who take this automatic extension will still be charged interest on any amount they *owe* that is not paid by the 18 April 2011 until the date the tax is paid. A late payment penalty and a late filing penalty is normally also charged, unless the taxpayer can show reasonable cause for not paying on time. Taxpayers should attach a statement to their return explaining the reason.

## **2. Tax filing deadlines for personnel in Bahrain and other Combat Zones.**

a. Military members. Members of the U.S. Armed Forces who are deployed to a combat zone, qualified hazardous duty area, direct support area, or a contingency operation receive an extension for 180 days after the last day the individual served in the area plus the number of days remaining for the individual to file when he or she began serving in that area. Additionally, members of the U.S. Armed Forces who sustained injuries while serving in the combat zone or on a contingency operation receive an extension for 180 days after the last day of continuous qualified hospitalization stemming from those injuries plus the number of days remaining for the individual to file when he or she began serving in that area or in the contingency operation.

b. Spouses. Spouses of individuals who served in a combat zone or a contingency operation are entitled to the same deadline extension with two exceptions: 1) the extension does not apply to a spouse for any tax year beginning more than two years after the date the area ceases to be a combat zone or the operation ceases to be a contingency operation; and 2) the extension does not apply to a spouse for any period the qualifying individual is hospitalized in the U.S. for injuries sustained in a combat zone or a contingency operation.

## **3. Navy VITA centers are standing by to assist.**

Eligible individuals can receive tax filing information and assistance at Volunteer Income Tax Assistance (VITA) Program/Electronic Filing (ELF) centers. In addition to preparing and filing 2010 tax returns, these centers can also submit Form 4868 electronically. A list of U.S. Navy VITA centers is available online by accessing the U.S. Navy JAG website at: [http://www.jag.navy.mil/organization/code\\_16\\_tax\\_info.htm](http://www.jag.navy.mil/organization/code_16_tax_info.htm).

## **4. Additional Information.**

For more information, please see IRS Publication 3, the Armed Forces Tax Guide at: <http://www.irs.gov/pub/irs-pdf/p3.pdf>.

Those wishing to download Form 4868 may do so from the IRS website at: <http://www.irs.gov/pub/irs-pdf/f4868.pdf>.

## **5. Points of contact.**

For questions or comments about this TIM, or if you have information you would like us to make available to your LA colleagues, please contact LT Janelle Kuroda. Her contact information is in the sidebar.