



## IRS Summertime Tax Tip 2016-06: Tax Breaks for the Military

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IRS Tax Tips

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**Issue Number: IRS Summertime Tax Tip 2016-06**  
**Inside This Issue**

### Tax Breaks for the Military

If you are in the U. S. Armed Forces, there are special tax breaks for you. For example, some types of pay are not taxable. Certain rules apply to deductions or credits that you may be able to claim that can lower your tax. In some cases, you may get more time to file your tax return. You may also get more time to pay your income tax. Here are some tips to keep in mind:

- 1. Deadline Extensions.** Some members of the military, such as those who serve in a [combat zone](#), can postpone some tax deadlines. If this applies to you, you can get automatic extensions of time to file your tax return and to pay your taxes.
- 2. Combat Pay Exclusion.** If you serve in a combat zone, your combat pay is partially or fully tax-free. If you serve in support of a combat zone, you may also qualify for this exclusion.
- 3. Moving Expense Deduction.** You may be able to deduct some of your unreimbursed moving costs on [Form 3903](#). This normally applies if the move is due to a permanent change of station.

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- Latest News

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- Forms & Pubs
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- Taxpayer Advocate Service
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- 4. **Earned Income Tax Credit or EITC.** If you get nontaxable combat pay, you may choose to include it in your taxable income. Including it may boost your EITC, meaning you may owe less tax and could get a larger refund. In 2015, the maximum credit for taxpayers was \$6,242. The average amount of EITC claimed was more than \$2,400. Figure it both ways and choose the option that best benefits you. You may want to use tax preparation software or consult a tax professional to guide you.
- 5. **Signing Joint Returns.** Both spouses normally must sign a joint income tax return. If your spouse is absent due to certain military duty or conditions, you may be able to sign for your spouse. You may need a power of attorney to file a joint return. Your installation’s legal office may be able to help you.
- 6. **Reservists’ Travel Deduction.** Reservists whose reserve-related duties take them more than 100 miles away from home can deduct their unreimbursed travel expenses on [Form 2106](#), even if they do not itemize their deductions.
- 7. **Uniform Deduction.** You can deduct the costs of certain uniforms that you can’t wear while off duty. This includes the costs of purchase and upkeep. You must reduce your deduction by any allowance you get for these costs.
- 8. **ROTC Allowances.** Some amounts paid to [ROTC students](#) in advanced training are not taxable. This applies to allowances for education and subsistence. Active duty ROTC pay is taxable. For instance, pay for summer advanced camp is taxable.
- 9. **Civilian Life.** If you leave the military and look for work, you may be able to deduct some job search expenses. You may be able to include the costs of travel, preparing a resume and job placement agency fees. Moving expenses may also qualify for a tax deduction.
- 10. **Tax Help.** Most military bases offer free tax preparation and filing assistance during the tax filing season. Some also offer free tax help after the April deadline.

For more, refer to [Publication 3](#), Armed Forces’ Tax Guide. It is available on [IRS.gov/forms](#) any time.

[IRS Tax Tips](#) provide valuable information throughout the year.

IRS.gov offers tax help and info on various topics including common [tax scams](#), [taxpayer rights](#) and more.

**Additional IRS Resources:**

- [Questions & Answers on Combat Zone Tax Provisions](#)
- [Publication 521](#), Moving Expenses
- [Publication 529](#), Miscellaneous Deductions

**IRS YouTube Videos:**

- Military Tax Tips – [English](#) | [Spanish](#)
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[Back to Top](#)

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