



CONGRESSMAN TIM WALZ

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115TH CONGRESS – THE “MILITARY TAXPAYER ASSISTANCE ACT” OF 2018

Supporting Organizations: The Retired Enlisted Association

Background:

There are about 1.3 million active duty service members and over 800,000 Reserves and National Guard personnel in the United States. Every year, as the tax deadline approaches, thousands of those in uniform experience increasingly diverse and complex tax issues for which they need specialized assistance. These issues can include:

- extensions of tax filing deadlines, especially for those serving overseas;
- combat zone income exclusions;
- tax abatement for service members who die in combat zones or qualified hazardous duty areas;
- individual retirement account (IRA) contributions from tax-free combat pay;
- tax return signature authority without a power of attorney;
- unique capital gains exclusions for service members who sell their homes;
- deductions for relocation expenses, travel expenses for reservists, and military uniforms;

Very few military tax experts outside the IRS are able and ready to assist military taxpayers with preparing returns and answering questions. However, the IRS does not have employees assigned solely to assist service members or dedicated telephone lines for military taxpayers to call with questions. The IRS's service to the military population is generally limited to posting information on the web, and providing tax software and training to military partners who prepare tax returns at installations around the world. Because of the challenging situations and unique tax issues they face, members of the military and their families face unusual difficulties in meeting their tax obligations and need specialized assistance.

The Military Taxpayer Assistance Act would:

- Provide a year-round dedicated toll-free telephone line for members of the Uniformed Services and their families to answer tax law and filing questions, and to resolve their tax account and compliance issues.
- Create a special unit of Stakeholder Partnerships, Education & Communication (SPEC) staffed, to the extent possible, with veterans whose responsibilities are to develop and conduct outreach, education, and assistance to current military taxpayers, including National Guard and Reservists, and to those organizations that provide tax assistance to these taxpayers.
- Support the authorization of the Volunteer Income Tax Assistance (VITA) program and support ample funding for SPEC to provide face-to-face training for military VITA volunteers in overseas locations.
- Assign a dedicated IRS employee to routinely update the military information on irs.gov website.