

+ INCOME TAX ISSUES FOR U.S. MILITARY AND SUPPORT PERSONNEL  
AFFECTED BY OPERATION DESERT STORM

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|TO:| MILITARY AND  
+----+ SUPPORT PERSONNEL  
AFFECTED BY  
OPERATION DESERT  
STORM

New and existing Illinois provisions for military and support personnel affected by Operation Desert Storm now allow an extension for filing and paying tax and other measures to make income tax compliance easier.

WHO IS AFFECTED?

If you served in the designated combat zone at any time on or after January 17, 1991, you are eligible for the new federal and Illinois provisions.

In addition, all military personnel on their first tour of duty who can show material hardship qualify for relief from Illinois income tax collection and the accrual of interest.

WHAT BENEFITS CAN I EXPECT UNDER THE NEW ILLINOIS PROVISIONS?

Illinois will closely follow federal practice. An attached federal Internal Revenue Service bulletin explains

Briefly, these provisions allow for

- an extension for filing and paying tax until 180 days after military or support personnel depart from the designated combat zone or after continuous hospitalization resulting from injury received in the combat zone;
- waiver of penalty and interest for the period of the extension; and
- forgiveness of all tax liability of any military or support personnel who have died as a result of the operation.

WHAT ADDITIONAL BENEFITS CAN I EXPECT UNDER EXISTING ILLINOIS PROVISIONS?

- Illinois exempts full-time active duty military pay earned by Illinois residents regardless of rank or duty station.
- The Soldiers and Sailors' Relief Act of 1940 allows military personnel on their first tour of duty who can show financial hardship to obtain relief from tax

Our Publication 102, Illinois Filing Requirements for Military Personnel, explains when and how you must file in Illinois under normal circumstances. If you would like a copy of this publication, please write or call us.

WHAT MUST I DO WHEN I FILE MY 1990 FORM IL-1040?

You may file your return up to 180 days after you have left the designated combat zone, and you will not be subject to penalty and interest during the extension period.

When you file your 1990 return, print the words "Desert Storm" across the top of the form. (See the example on Page 2 of this bulletin.) You should also print "Desert Storm" on the outside of the envelope in which you mail it.

If your spouse wishes to complete your return for you, you should complete a general power of attorney; your spouse should keep the original and attach a copy to Form IL-1040 at the time it is filed. If your spouse is unable to enclose a general power

federal policy.

collection and the  
accrual of interest by  
applying with us.

of attorney, he or she  
must attach a written  
statement explaining  
that you are serving in  
a combat zone.

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ARE THERE ANY SPECIAL  
PROVISIONS IF I OWE TAX,  
PENALTIES, OR INTEREST  
FROM A PRIOR YEAR?

Yes. If you served in  
the designated combat  
zone and you receive a  
collection notice from  
us, write "Desert Storm"  
on any correspondence  
when you return it to  
us. You will not have  
to pay any back taxes  
owed until after the  
180 days have passed.  
No penalty or interest  
will be added during  
this time.

DO THE NEW ILLINOIS  
PROVISIONS APPLY TO  
PERSONNEL WHO ARE  
REPLACING THOSE WHO  
HAVE BEEN ASSIGNED TO  
OPERATION DESERT STORM  
BUT ARE SERVING OUTSIDE  
THE COMBAT ZONE?

The 180-day filing  
extension and other  
related provisions  
apply only to military  
and support personnel  
serving in the  
designated combat zone.

QUESTIONS?

If you have questions or  
need more information,  
please call or write us.  
Our telephone numbers  
and address are listed  
at the bottom of this  
bulletin.

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FOR  
INFORMATION

CALL: 1 800 732-8866 or  
1 217 782-3336  
WRITE: Illinois Department of Revenue  
101 W. Jefferson St., P.O. Box 19044  
Springfield, IL 62794-9044

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