

| <p><b>SUMMARY OF MAJOR CHANGES TO<br/>DOD 7000.14-R, VOLUME 7B, CHAPTER 26<br/>“STATE AND LOCAL TAXES”</b></p> <p>Substantive revisions are denoted by a ★ preceding the section, paragraph, table or figure that includes the revision</p> |  |                |
|---|--|----------------|
| PARAGRAPH   | EXPLANATION OF CHANGE/REVISION   | EFFECTIVE DATE |
| 260201  | <p>★ Clarifies written agreement requirement for members requesting the voluntary withholding of state income tax.</p> | Immediately    |

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**STATE AND LOCAL TAXES**

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## CHAPTER 26

STATE AND LOCAL TAXES2601 INTRODUCTION

The taxing authorities of a member's legal residence may tax the member's retired pay.

2602 WITHHOLDING

★ 260201. A retiree may request voluntary state income tax withholding if the designated state has signed the standard written agreement with the Department of Defense. The request shall include the member's full name, social security number, the fixed amount to be withheld monthly from retired pay, the State designated to receive the withholding, and the member's current residence address. The request shall be signed by the member, or in the case of incompetence, his or her guardian or trustee.

260202. The retiree's request must be in writing and is revocable at any time. The withholding amount requested must be an even dollar amount, at least \$10, or the state's minimum, if that amount is higher.

2603 PAYMENTS AND REPORTS

260301. The Uniformed Services will disburse amounts withheld to the states in the month following each calendar quarter. Payment procedures and state income tax withholding shall follow the usual fiscal practices of the Uniformed Services.

260302. The Uniformed Services will provide each retiree an Internal Revenue Service Form 1099-R, "Distribution From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.," that indicates the total tax withheld for each state, following each calendar year end.

2604 UNIFORMED SERVICES' RETIRED PAY OFFICE ADDRESSES

The Uniformed Services' retired pay office addresses follow:

Army, Navy, Air Force, and Marine Corps:  
Defense Finance and Accounting Service  
U.S. Military Retirement Pay  
P. O. Box 7130  
London, Kentucky 40742-7130

Coast Guard and National Oceanic Atmospheric Atmosphere:  
Commanding Officer (RAS)  
U.S. Coast Guard, Personnel Service Center  
444 S.E. Quincy Street  
Topeka, KS 66683-3591

Public Health Service:  
U.S. Public Health Service Compensation Branch  
5600 Fishers Lane, Room 4-50  
Rockville, MD 20857