

VOLUME 7B, CHAPTER 26: "STATE TAXES"**SUMMARY OF MAJOR CHANGES**

All changes are denoted by **blue font**.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue and underlined font**.

The previous version dated May 2010 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	This chapter is updated to comply with current administrative instructions.	Update
All	Added titles for all paragraphs.	Add
Table of Contents	Expanded the Table of Contents to include paragraphs.	Add
260401	Provided web site address for general tax information and state withholding tax information.	Update
260403	Provided mailing address, web site address, and facsimile number for the Public Health Service.	Update

Table of Contents

VOLUME 7B, CHAPTER 26: “STATE TAXES” 1

2602 WITHHOLDING 3

 260201. State Income Tax Withholding (SITW) 3

 260202. Amount..... 3

2603 PAYMENTS AND REPORTS 3

 260301. Amounts Withheld 3

 260302. Internal Revenue Services Form 1099-R 3

2604 UNIFORMED SERVICES’ RETIRED PAY OFFICE ADDRESSES 3

 *260401. U.S. Military..... 3

 260402. Coast Guard..... 4

 *260403. Public Health Services (PHS) 4

BIBLIOGRAPHY 5

CHAPTER 26**STATE TAXES**2601 **INTRODUCTION**

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

2602 **WITHHOLDING**260201. **State Income Tax Withholding (SITW)**

A retiree may request voluntary **SITW** if the designated state has signed the standard written agreement with the Department of Defense. The request shall include the member's full name, signature, 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 may be submitted via letter, e-mail, or fax to the address in section 2604 or submitted through the member's myPay account. If using myPay, then the member's signature is not required. In the case of incompetence, the member's guardian or trustee must sign.

260202. **Amount**

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

2603 **PAYMENTS AND REPORTS**260301. **Amounts Withheld**

The Uniformed Services will disburse amounts withheld to the states in the month following the month of collection. Payment procedures and state income tax withholdings shall follow the usual fiscal practices of the Uniformed Services.

260302. **Internal Revenue Services Form 1099-R**

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***260401. **U.S. Military**

The address and web sites for the U.S. Military Retirement Pay office follows:

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

Phone: 1-800-321-1080
Fax: 1-800-469-6559

Web site for general tax information:

<http://www.dfas.mil/retiredmilitary/manage/taxes.html>

Web site for state withholding tax:

<http://www.dfas.mil/retiredmilitary/manage/taxes/sitw.html>

260402. Coast Guard

Change requests for retired members of the Coast Guard must be in writing and mailed to the address below (faxes are not accepted):

Coast Guard and National Oceanic Atmospheric Administration
Commanding Officer (RAS)
U.S. Coast Guard
Pay & Personnel Center
444 S.E. Quincy Street
Topeka, Kansas 66683-3591

Web site: <http://www.uscg.mil/hq/cg1/psc/ras>

*260403. Public Health Services (PHS)

Change requests for PHS must be mailed to the address below or faxed to the phone number provided:

U.S. Public Health Service Compensation Branch
8455 Colesville Road, Room 935
Silver Spring, Maryland 20857-0001

Phone: 1-301-427-3280
Fax: 1-301-427-3432

Web site: <http://dcp.psc.gov/ccmis>

BIBLIOGRAPHY

CHAPTER 26 - STATE TAXES

2602 - WITHHOLDING

10 U.S.C. 1045

2603 – PAYMENTS AND REPORTS

260301 Public Law 109-163, Section 661,
January 6, 2006
[10 U.S.C. 1045\(a\)](#)