



Information Release

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Tax Tips for Military Personnel

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Military personnel may receive additional tax benefit for 2018 returns

West Allis, WI – Members of the military and their families may be eligible for special tax benefits on their 2018 tax returns. For federal tax purposes, the U.S. Armed Forces include enlisted personnel in all regular and reserve units controlled by the Secretaries of Defense – the Air Force, Army, Coast Guard and Navy.

Travel expenses can be deducted if they are unreimbursed and are incurred while traveling away from home. If you are a member of the U.S. Armed Forces on a permanent duty assignment, your home is considered your duty station. To be deductible, your travel expenses must be work-related. You cannot deduct any expenses for personal travel, such as visits to family on leave. If you are a part of the Reserves, unreimbursed travel expenses for traveling more than 100 miles from home to perform your reserve duties are eligible for deduction. You do not have to itemize deductions since eligible expenses are deducted as an adjustment to income. The standard mileage rate for 2018 is 54.5 cents and 58 cents for 2019.

Uniform purchase cost and future upkeep deductibility depend on whether the uniform can be worn when off duty. If the uniform is allowed to be worn while off duty, no costs can be deducted. However, if the uniform is prohibited from being worn when off duty, the cost associated with that particular uniform may be deducted. The following are deductible:

- Military battle dress uniforms and utility uniforms that you cannot wear when off duty
- Articles not replacing regular clothing, including insignia of rank, corps devices, epaulets, aiguillettes and swords

Moving expenses have special rules that apply to active duty members of the U.S. Armed Forces and their surviving spouses who move because of a permanent change of station. Deductible expenses include unreimbursed costs of moving, travel, storing and insuring household goods and personal items.



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Distributions from an IRA, 401(k) or 403(b) plans made after the date of the order or call to active duty and before the close of the active duty period have special rules and may not be subject to the 10 percent penalty tax on early distributions. Such distributions are also eligible to be repaid to the plan if paid back within two years of ending active duty.

This article contains general tax information for taxpayers. Each tax situation may be different, so do not rely upon this information as your sole source of authority. Contact Spencer Accounting Group at 5935 W. Beloit Rd, West Allis, WI 53219 for professional advice for your tax situation. Spencer is an expert who keeps current on tax law changes as well as a member of the Top Accounting and Tax Professional organization. She can save you time and offer insight on how to use the tax breaks available to you. Visit www.spenceraccounting.com for contact information.

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