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Nov. 22, 2017

The National Association of Enrolled Agents (NAEA), recently issued a press release relating to taxes for military veterans. Having lost my father this year, and in honor of his service as a proud Vietnam Veteran, I thought that it was appropriate to further discuss tax issues that concern our veterans.

## **TRAVEL EXPENSES**

If you travel more than 100 miles from your tax home for duty in the Reserve or National Guard, you can deduct these expenses on Form 2106. This is where you can deduct mileage as well as any unreimbursed expenses from the time that you leave home until the time of return. However, if your particular unit provides lodging and meals, you may not deduct these expenses.

## **DECLARATION OF STATE RESIDENCE**

If you are in the military, you probably move to different states frequently. One thing that many people in the military don't know is that when you move across state lines, you may consider claiming as your legal residence whichever of the two states has the lower state income tax.

For instance, if you are stationed in Florida, which has no state tax, and then are transferred to New York, which has a high state tax, you can claim Florida as your home state by completing Form 2058 (State of Legal Residence Certificate) and submitting the form to your legal or finance office. In 2008, The Military Spouse Residency Relief Act was passed to allow spouses of active duty members to reap the benefits of this same tax scenario as their spouses.

## **HOME SALES**

If you lived in your home for two of the last five years and you sell your home, it is

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*James Macmillan, EA, president of the National Association of Enrolled Agents.*

## TALK TO A TAX EXPERT

[This page](#) on the IRS website offers a wealth of information to help military members and their families understand their rights and responsibilities as taxpayers. Another valuable resource is [eatax.org](https://eatax.org), a free online resource where you can learn more about enrolled agents and search a directory to find one in your area. Enrolled agents (EAs) are federally-licensed tax experts who specialize in tax planning and preparation. EAs also have unlimited rights to represent taxpayers before the Internal Revenue Service should a dispute arise.

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