

**SUMMARY OF MAJOR CHANGES TO
DoD 7000.14-R, VOLUME 7B, CHAPTER 26
“STATE TAXES”**

All changes are denoted by blue font

Substantive revisions are denoted by a ★ preceding the section,
paragraph, table or figure that includes the revision

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

PARA	EXPLANATION OF CHANGE/REVISION	PURPOSE
260201	Authorizes multiple means of submitting withholding requests changes.	Update
260301 Bibliography	Interim change R05-06 revised the frequency of state tax distribution from quarterly submission to monthly.	Update
2604	Included phone numbers, fax numbers, and Web sites for Uniformed Services’ retired pay offices.	Update

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STATE 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, 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 paragraph 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. 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. 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. 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

Phone: 1-800-321-1080

Fax: 1-800-469-6559

Web site: <http://www.dfas.mil/retiredpay/taxinformation.html>

★ 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, Personnel Service Center
444 S.E. Quincy Street
Topeka, Kansas 66683-3591

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

★ Change requests for Public Health Services must be mailed to the address below or faxed to the phone number provided:

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

Phone: 1-301-827-8345

Fax: 1-301-827-2338

BIBLIOGRAPHY

CHAPTER 26 - STATE TAXES

2602 - WITHHOLDING

10 U.S.C. 1045

★ 260301

Public Law 109-163, Section 661,
January 6, 2006