

**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**

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

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

**This updated chapter supersedes the previously published version dated May 2010.**

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
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**

**STATE TAXES**

2601 Introduction

2602 Withholding

260201 State Income Tax Withholding (SITW)

260202 Amount

2603 Payments and Reports

260301 Amounts Withheld

260302 Internal Revenue Services Form 1099-R

2604 Uniformed Services' Retired Pay Office Addresses

\* 260401 U.S. Military

260402 Coast Guard

\* 260403 Public Health Services (PHS)

Bibliography

## CHAPTER 26

STATE TAXES2601 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\(a\)](#)