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FM COGARD PSC TOPEKA KS//CSD//  
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UNCLAS //N07220//

SUBJ: STATE INCOME TAX EXEMPTION STATUS FOR SERVICE MEMBERS  
DOMICILED IN OHIO

A. PERSONNEL AND PAY PROCEDURES MANUAL, PSCINST M1000.2 (SERIES)

1. THIS MESSAGE ANNOUNCES NEW LEGISLATION ENACTED BY THE STATE OF OHIO. EFFECTIVE 1 JAN 2007, THE STATE OF OHIO WILL NOT IMPOSE STATE INCOME TAX LIABILITY ON MEMBERS WHO ARE DOMICILED IN OHIO BUT WHO ARE DEPLOYED OR STATIONED OUTSIDE THE STATE. BEGINNING WITH TAX YEAR 2007, A SERVICE MEMBER WHO MAINTAINS OHIO AS THEIR STATE OF DOMICILE, IS ON ACTIVE DUTY IN THE ARMED FORCES OF THE UNITED STATES, AND RESIDES OUTSIDE THE STATE OF OHIO DUE TO MILITARY ORDERS WILL HAVE THEIR MILITARY PAY AND ALLOWANCES EXEMPTED FROM STATE INCOME TAX. A MEMBER IS CONSIDERED DOMICILED IN A STATE WHEN, AMONG OTHER THINGS, THEY MAINTAIN THEIR VOTING RESIDENCE IN THAT STATE, OWN PROPERTY THERE, AND HAVE THEIR DRIVERS LICENSE AND PERSONAL VEHICLES REGISTERED THERE. MILITARY PAY AND ALLOWANCES FOR SERVICE MEMBERS WHO ARE CONCURRENTLY DOMICILED AND STATIONED INSIDE THE STATE OF OHIO WILL CONTINUE TO BE SUBJECT TO OHIO STATE INCOME TAX.

2. OHIO RESIDENTS ON ACTIVE DUTY AND NOT ASSIGNED TO A UNIT IN OHIO MAY REQUEST AN EXEMPTION FROM STATE INCOME TAX WITHHOLDING. TO QUALIFY FOR THE EXEMPTION, THE MEMBER MUST COMPLETE FORM IT 4-MIL IN FULL, SIGN IT AND SUBMIT IT TO HIS/HER SPO. OHIO FORM IT-4-MIL IS AVAILABLE AT:

[HTTP://WWW.USCG.MIL/HQ/PSC/FORMS/OHIOIT4.PDF](http://www.uscg.mil/hq/psc/forms/ohioit4.pdf) OR THE OHIO DEPT OF TAXATION WEB SITE AT [HTTP://TAX.OHIO.GOV](http://tax.ohio.gov).

A. THE MEMBERS SPO WILL ENTER THE EXEMPTION FROM OHIO STATE INCOME TAX WITHHOLDING IN DIRECT ACCESS (DA) IAW THE DA ONLINE MANUAL ([HTTP://WWW.USCG.MIL/HQ/PSC/PS/](http://www.uscg.mil/hq/psc/ps/)).

3. AT THE END OF TAX YEAR 2007, THE MEMBER SHOULD FILE A OHIO INCOME TAX RETURN, FORM IT-1040 OR THE OHIO I-FILE APPLICATION, WITH THE STATE TO RECEIVE A REFUND OF STATE TAXES WITHHELD PRIOR TO ESTABLISHING EXEMPT STATUS.

4. OHIO STATE TAX EXEMPTION RULES WILL BE INCORPORATED IN THE NEXT CHANGE TO REF A.

5. CUSTOMER INQUIRIES MAY BE DIRECTED TO PSC CUSTOMER CARE BRANCH (CCB) AT 785-339-2200/TOLL FREE 1-866-772-8724, VIA E-MAIL TO PSC-CUSTOMERCARE(AT)USCG.MIL, OR BY COMPLETING THE WEB FORM AT THE LINK NOTED BELOW. PHONE SUPPORT HOURS OF OPERATION ARE WEEKDAYS 0700 TO 1600 AND 0730 TO 1600 (CENTRAL TIME) ON SCHEDULED WEEKENDS. FY07 WEEKEND STAFFING SCHEDULE IS AVAILABLE AT

[HTTP://WWW.USCG.MIL/HQ/PSC/CUSTOMERSERVICE.SHTM](http://www.uscg.mil/hq/psc/customerservice.shtm).

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