

701—301.12(422) Tax benefits for persons in the armed forces deployed outside the United States and for certain other persons serving in support of those forces.

301.12(1) Extension of deadlines.

a. Extension of certain deadlines for certain military personnel.

(1) For tax years ending after August 2, 1990, the time period to file state income tax returns and to perform certain other acts related to the department (“certain other acts related to the department” is defined in paragraph 39.12(1) “e” below) is extended for persons in the armed forces :

1. Who serve in an area designated by the President or the Congress as a combat zone.
2. Who serve in an area designated by the President or the Congress as a qualified hazardous duty area.
3. Who were deployed outside the United States in an operation designated by the Secretary of Defense as a contingency operation as defined in 10 U.S.C. § 101(a)(13), or which became a contingency operation by the operation of law. Persons who were deployed in a contingency operation who ceased to participate in such operation on or after May 21, 2003, are considered to be eligible individuals for purposes of being granted additional time to perform certain acts with the department to the extent the period for performing an act did not expire prior to May 21, 2003, or a later date if the person ceased to participate in the contingency operation on a date after May 21, 2003.

(2) For tax years beginning on or after January 1, 2008, the additional time to file returns and perform other acts related to the department described in this subrule is available to all active duty military service members in the armed forces, all armed forces military reservists, and all national guard personnel who are deployed outside the United States. These armed forces, armed forces reserve and national guard personnel are not required to be deployed outside the United States in a combat zone, qualified hazardous duty area, or contingency operation to be allowed the additional time to file Iowa returns and perform other acts related to the department.

b. Extension applicable to certain civilians. Those persons who were serving in support of armed forces personnel in a combat zone or those persons who were serving in support of armed forces personnel in a qualified hazardous duty area are also eligible for the extension of the time period to file state income tax returns and to perform certain other acts related to the department. Persons eligible under this provision include certain civilians who were working in a combat zone and directly supporting military operations. Iowa allows this extension for those civilians who qualify for a federal extension under Section 7508(a) of the Internal Revenue Code. Examples of civilians who may be eligible are members of the Red Cross and contractors or civilian employees who worked in a combat zone.

c. Extension applicable to spouses of eligible individuals. The additional time period for filing returns and performing other acts applies to the spouse of the person who was in the combat zone or the qualified hazardous duty area or the spouse of a person who was serving in support of persons in the combat zone or the hazardous duty area to the extent the spouse files jointly or separately on the combined return with the person who was in the combat zone or the hazardous duty area, or when the spouse is a party with the person who was serving in support of persons in the combat zone or hazardous duty area to any tax matter with the department for which the additional time period is allowed.

d. Length of the extension period. Eligible individuals are given the same additional time period to file state income tax returns and perform other acts related to the department as would constitute timely filing of returns or timely performance of other acts as described in Section 7508(a) of the Internal Revenue Code. The additional time period for filing state returns and performing other acts is 180 days after the person leaves the combat zone or hazardous duty area or ceases to participate in the contingency operation. However, a person who was hospitalized because of illness or injury in the combat zone or the hazardous duty area has up to five years to file returns or perform certain acts with this department after leaving the combat zone or hazardous duty area.

e. Other acts related to the department defined. “Other acts related to the department” includes filing claims for refund for any type of tax administered by the department, making tax payments other

than withholding payments, filing appeals on tax matters, filing returns for taxes other than income tax, and performing other acts such as making timely contributions to individual retirement accounts.

301.12(2) *Application for the extension.* In order to claim the extension described in subrule 39.12(1), eligible taxpayers should notify the department of their eligibility by sending the information listed below to the email address or other address listed on the department's website.

a. Contents of the notification. The notification sent to the department should include:

- (1) The taxpayer's name, and spouse's name, if applicable.
- (2) The taxpayer's stateside address, and spouse's address, if applicable.
- (3) The taxpayer's date of birth, and spouse's date of birth, if applicable.
- (4) The date the taxpayer was deployed to the combat zone or other qualifying area.
- (5) For military personnel, an official document that indicates the taxpayer's area of operation.
- (6) For qualifying civilians, a letter of authorization or similar letter from the taxpayer's employer,

or a letter from the military stating that the taxpayer served in a "tax-free zone" or "Combat Zone Tax Exclusion Area (CZTE)."

b. Who may submit the notification of eligibility for the extension. The notification of eligibility to the department may be submitted by the taxpayer, the taxpayer's spouse, or an authorized agent or representative of the taxpayer.

This rule is intended to implement Iowa Code sections 422.3 and 422.21.

[ARC 8589B, IAB 3/10/10, effective 4/14/10; ARC 3218C, IAB 7/19/17, effective 8/23/17; Editorial change: IAC Supplement 11/2/22]