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## **Tax Information for Veterans**

The Internal Revenue Service is committed to helping all Veterans. We work with community and government partners to provide timely federal tax-related information to Veterans about tax credits and benefits, free tax preparation, financial education and asset-building opportunities available to Veterans.

### **Our Approach**

The [Stakeholder Partnerships, Education and Communication \(SPEC\)](#) office within the Wage and Investment Division has built a network of national and local partners. Organizations include corporate, faith-based, nonprofit, educational, financial and government. With so many tax benefits available today, taxes can serve as the starting point for many people's dream of stronger financial security.

### **Partnership with VA**

The IRS and US Department of Veterans Affairs entered into a Memorandum of Understanding in 2015. The primary focus of the MOU is to provide free tax preparation services to Veterans and their families.

Partnering organizations prepare tax returns free of charge for low- to moderate-income taxpayers. Also check out the partner [Outreach Connection](#) for links to newsletter articles, podcasts, widgets and other electronic products to help reach out to customers with timely tax news. If you represent a Veterans organization, why not look further to see how you can become involved?

### **Contact Information**

If you are interested in partnering opportunities in your area, send an email to [partner@irs.gov](mailto:partner@irs.gov) today and let us help you get started making an impact in your community!

## Free Tax Preparation Services

Each year, millions of people have their taxes prepared for free by IRS-certified volunteers. The [Volunteer Income Tax Assistance and Tax Counseling for the Elderly programs](#) have helped people for more than 40 years. Over 1.3 million free tax returns were prepared for Veterans since the inception of the MOU at nearly 8,000 free tax preparation sites across the country. Here are some details about VITA and TCE:

1. The IRS works with local community groups to train and certify VITA and TCE volunteers.
2. VITA generally offers free tax return preparation to those who qualify.
3. TCE is mainly for people age 60 or older. The program focuses on tax issues unique to seniors. AARP participates in the TCE program through AARP Tax-Aide.
4. VITA and TCE provide free electronic filing. E-filing is the safest, most accurate way to file your tax return. If you combine e-file with direct deposit, you can get your refund faster.

## IRS Free File

Whether you draw a paycheck, are self-employed or own a small business, you can use all available tax forms you need for free with [IRS Free File](#). If you made \$69,000 or less during 2019, you qualify for free brand-name software offered through a partnership between the IRS and leading tax software providers. Some of these providers offer free federal and free state return preparation and electronic filing. If you made more than \$69,000, you can use Free File Fillable Forms, electronic versions of IRS paper forms best for someone experienced in return preparation.

## Earned Income Tax Credit

Many Veterans are eligible for various tax credits including the [Earned Income Tax Credit](#), a refundable federal income tax credit for low- to moderate-income workers and their families. Roughly two million Veterans and military households receive the EITC, the refundable component of the Child Tax Credit or both, according to Center on Budget and Policy Priorities. The credits provide a tax break for eligible service members, allowing them to keep more of what they've earned and build a financial

cushion for unexpected emergencies. The Tax Credits for Working Families organization produced a [video](#) sharing how tax credits are a vital resource for many who have served our country.

## **Financial Education and Asset Building**

Our partners recognize that financial education and asset building starts with ensuring individuals and families receive all the benefits to which they are entitled. These include the Earned Income Tax Credit and other tax credits, nutrition assistance, health insurance, heating/cooling allowance support and other national and local benefit programs. Many SPEC partners have incorporated financial education and asset building programs and services such as income support, debt and credit counseling, financial education training, banking education, home ownership and small business management into their free tax return preparation activities.

## **Military OneSource Resources for Transitioning Service Members and Families**

Military OneSource is a program funded by the Department of Defense that provides a range of free resources for Veterans and their immediate family up to 365 days after separation or retirement from the military. [MilTax](#), Military OneSource's tax services, provides online software for eligible individuals to electronically file a federal and up to three state returns for free through the Military OneSource website. The service also includes tax consultants available by phone to answer tax questions related to deployment, multi-state filing, and combat pay. They also share information on military-specific and civilian tax deductions and credits.

Military OneSource is available 24/7 at 800-342-9647 and online at [MilitaryOneSource.mil](https://MilitaryOneSource.mil).

## **Special Tax Considerations**

Veterans may be eligible to claim a federal tax refund based on:

- An increase in the Veteran's percentage of disability from the Department of Veterans Affairs (which may include a retroactive determination) or

- The combat-disabled Veteran applying for, and being granted, Combat-Related Special Compensation, after an award for Concurrent Retirement and Disability.

Special tax considerations for disabled Veterans occasionally result in a [need for amended returns](#).

## **Combat-Injured Veterans Tax Fairness Act of 2016**

The Combat-Injured Veterans Tax Fairness Act of 2016, went into effect in 2017. Under this federal law, Veterans who suffer combat-related injuries and are separated from the military are not to be taxed on the one-time lump sum disability severance payment they receive from the Department of Defense. This law instructs DoD to identify Veterans who were taxed in order for them to file an amended return to receive their refund. Go to [Combat-Injured Veterans Tax Fairness Act Claim Information](#) for more details.

## **VA Disability Benefits**

Disability benefits received from the VA should not be included in your gross income. Some of the payments which are considered disability benefits include:

- Disability compensation and pension payments for disabilities paid either to Veterans or their families,
- Grants for homes designed for wheelchair living,
- Grants for motor vehicles for Veterans who lost their sight or the use of their limbs, or
- Benefits under a dependent-care assistance program.

If you are a military retiree and receive your disability benefits from the VA, see [IRS Publication 525](#) for more information.

## **Programs for Homeless Veterans**

VA's specialized programs for homeless Veterans serve hundreds of thousands of homeless and at-risk Veterans each year. Independently and in collaboration with federal and community partners, VA programs provide Veterans with housing solutions, employment opportunities, health care, justice- and reentry-related services and more. Learn more about these programs at [VA Programs for At-Risk Veterans and Their Families](#).

Veterans who are homeless or at imminent risk of becoming homeless can call or visit their [local VA Medical Center](#) or [Community Resource and Referral Center \(CRRC\)](#) where VA staff are ready to help. Many CRRCs offer free tax preparation services. VA and other organizations work together through neighborhood [Stand Downs](#) to help Veterans who are homeless. The IRS attends many Stand Down events and provide services such as help with IRS letters, notices and levies on wages or bank accounts as well as free tax preparation. Also, the [Taxpayer Advocate Service](#) often attends to ensure that every Veteran is treated fairly.

## **Federal Employment**

If you are a Veteran and have a disability per the VA, you may qualify for internships or you could be hired non-competitively for any federal position for which you qualify. The [IRS Veterans Employment Program Office](#) is designed to provide quality training and work experience to wounded warriors and Veterans by offering various non-paid internship opportunities within the IRS as well as help Veterans who qualify for one or more of the three special hiring authorities to become gainfully employed within the IRS.

## **Do you need alternate formats for IRS forms and publications?**

The IRS is committed to making every document on its website accessible to everyone, including Veterans and individuals with disabilities. If you need help accessing these products, please visit [Accessible IRS Tax Products](#). See also other [forms and publications for people with disabilities](#).

## **Active Duty Military**

This page is intended for Veterans. If you are looking for information for service members on active duty, please visit the IRS [Military](#) webpage.

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