



The Bloomington office serves tax clients statewide and non-tax clients in Bartholomew, Brown, Clay, Greene, Jackson, Lawrence, Monroe, Morgan, Orange, Owen, Parke, Putnam, Sullivan, and Vigo Counties.

If you have a non-tax problem and are located in a county outside of your service area, please visit our website or call our toll free number to find the office that serves you.

www.indianalegalservices.org

1-800-869-0212

TO APPLY FOR LEGAL ASSISTANCE
WITH A TAX PROBLEM, CONTACT:

Indiana Legal Services, Inc.

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Member Agency



Indiana Legal Services does not discriminate against any person on the basis of race, color, national origin, disability, or age.



Tax Information for Members of the U.S. Armed Forces

Indiana Legal Services
LOW INCOME TAXPAYER CLINIC

Tax Laws Affecting the Military

For federal tax purposes, the U.S. Armed Forces includes officers and enlisted personnel in all regular and reserve units controlled by the Army, Navy, Marines, Air Force and Coast Guard. Below are just a few examples of the tax benefits available for military members.

First-Time Homebuyer Credit - There were special benefits for members of the military who served outside the United States. This included additional time (up until April 30, 2011) to buy a principal residence qualifying for the first time homebuyer credit. Additionally, members of the military may qualify for a waiver of the recapture of the credit if their home no longer qualifies as a principal residence due to official extended duty service.

Penalty-Free Retirement Plan Withdrawals - If you're serving in the military reserves, you might be able to take early withdrawals from IRA and 401(k) accounts without penalty. To qualify for this exemption, you must have been called to active duty for more than 179 days, and the withdrawal must be made while you are on active duty.

Overnight Travel Expenses of National Guard and Reserve Members - Reservists who stay overnight more than 100 miles away from home while in service may deduct unreimbursed travel expenses (transportation, meals and lodging) as an above-the-line deduction.

Suspension of IRS Action While in Combat Zone - Working with the Department of Defense, the Internal Revenue Service identifies taxpayers who are serving in a combat zone so that we they can suspend compliance actions, such as audits or enforced collections, until 180 days after the taxpayer has left the zone.

Combat Pay and the Earned Income Tax Credit - if you're serving in a combat zone, your military pay might not be taxable and therefore you might not have to file a tax return. However, you may be eligible to claim the Earned Income Tax Credit if you do file a return

Forgiveness of Tax Liability in the Event of Death - Members of the armed forces who die while on duty in a combat zone or in support of a combat operation are forgiven any tax liability they may owe the IRS for any tax years while the taxpayer served in a combat zone. If the tax has already been paid, a refund may be obtained.

Free Tax Preparation for Service Members - Members of the military and their families can get free tax preparation assistance through the Volunteer Income Tax Assistance (VITA) Program. Call 1-800-906-9887 to find a site near you.



LOW INCOME TAXPAYER CLINIC

The Indiana Legal Services Low Income Taxpayer Clinic (LITC) provides free legal assistance to Indiana taxpayers involved in disputes with IRS.

Examples of disputes with IRS include whether you qualify for Child Tax Credits, the Earned Income Tax Credit, the ability to claim Head of Household or dependents, whether you should be responsible for your spouse's or ex-spouse's tax problems, and whether you owe tax on the amount of a debt that is forgiven.

We can also help you if you have received a notice from the IRS or the IRS has already started collection actions, you're facing an audit or exam, or you are a victim of identity theft.

The Low Income Taxpayer Clinic is not part of the IRS, but does receive funds from the IRS through the LITC grant program. Participation in an LITC program does not impact your rights before the IRS. Also, while the LITC can help you file a tax return as part of a dispute with the IRS, we are not a tax preparation service and we do not generally prepare tax returns. To find a free tax preparation site near you, please call 1-800-906-9887.