



SUBJECT: Military Spouses Residency Relief State Tax Changes

1. The Military Spouses Residency Relief Act was signed by President Obama on 11 Nov 09.
2. The Military Spouses Residency Relief Act (MSRRA) amends the Service Members Civil Relief Act to prohibit, for purposes of voting for a federal, state, or local office, deeming a person to have lost a residence or domicile in a state, acquired a residence or domicile in any other state, or become a resident in or of any other state solely because the person is absent from a state because the person is accompanying the person's spouse who is absent from the state in compliance with military or naval orders. It prohibits a service member's spouse from either losing or acquiring a residence or domicile for purposes of taxation because of being absent or present in any U.S. tax jurisdiction solely to be with the service member in compliance with the service member's military orders if the residence or domicile is the same for the service member and the spouse. It also prohibits a spouse's income from being considered income earned in a tax jurisdiction if the spouse is not a resident or domiciliary of such jurisdiction when the spouse is in that jurisdiction solely to be with a service member serving under military orders. This Act suspends land rights residency requirements for spouses accompanying service members serving under military orders. For more information, see <http://www.whitehouse.gov/the-press-office/statement-president-s475>
3. Each state has its own implementation rules and there is no detailed guidance from OPM. The Defense Finance and Accounting Service (DFAS) legal staff is assisting with research of each state and U.S. territories to ensure their guidance and workaround will not conflict with any of the states. DFAS is having internal meetings to discuss the research that they have done on system capabilities, communication and next steps. Shortly after that, DFAS expects to have information ready for dissemination.
4. If you have any questions contact the DFAS help desk at 1-800-538-9043 or DSN 699 0580, Monday - Friday 0730 to 1800 EDT.