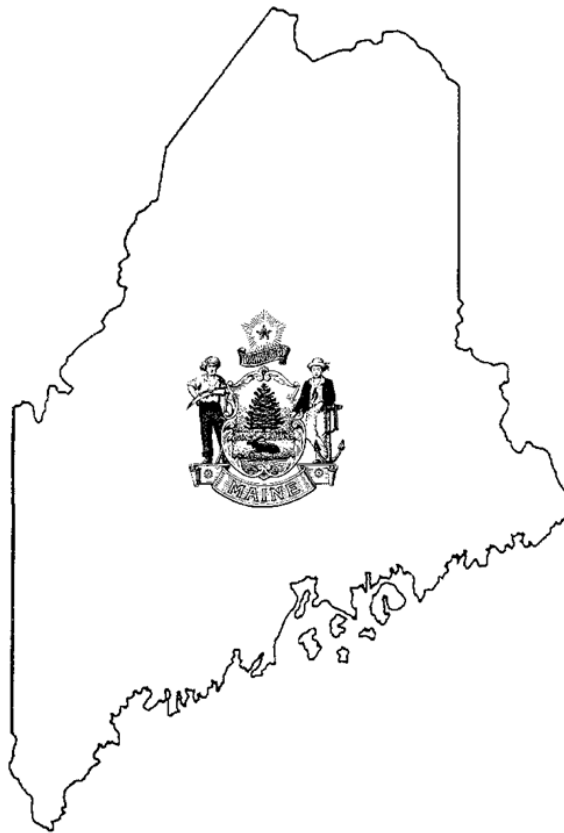


INDIVIDUAL INCOME TAX

Combat Zone Tax Relief



GUIDANCE DOCUMENT

Maine Revenue Services, Income/Estate Tax Division

Maine Revenue Services (MRS) conforms with many of the special federal tax benefits applicable to active members of the U.S. Armed Forces serving in designated combat zones or qualified hazardous duty areas.

Combat Zone

A combat zone is any area the President of the United States designates by Executive Order as an area in which the U.S. Armed Forces are engaging or have engaged in combat.

Qualifying Service

Military service outside a combat zone is considered to be performed in a combat zone if:

- The service is in direct support of military operations in the combat zone, and
- The service qualifies you for special military pay for duty subject to hostile fire or imminent danger.

Combat Zone Exclusion

Any pay that is excluded from federal adjusted gross income because it was earned while serving in a combat zone is also excluded from Maine income. This includes: active duty pay earned in any month served in the combat zone; imminent danger/hostile fire pay; reenlistment bonus if the voluntary extension or reenlistment occurs in a month served in a combat zone; pay for accrued leave earned in a month served in a combat zone; pay received for duties as a member of the Armed Forces in clubs, messes, post and station theaters, and other nonappropriated fund activities earned in a month served in a combat zone; awards for suggestions, inventions, or scientific achievements due to a submission made in a month served in a combat zone; and, student loan repayments attributable to the period of service in the combat zone. See IRS Publication 3, “Armed Forces’ Tax Guide” for more details available at [irs.gov](https://www.irs.gov).

Combat Casualties

For tax years beginning after 2002, taxpayers whose federal income tax liability is forgiven under IRC § 692 due to a combat casualty are similarly granted a waiver from Maine income tax for the same period or periods.

Extension of Deadline

The deadline for filing Maine income tax returns and paying taxes is automatically extended if you meet requirements set by the Internal Revenue Service on its extensions, whether or not you claim an extension of a deadline for federal tax purposes.

One of the following statements must be true in order to qualify for the automatic extension:

- You serve in the Armed Forces in a combat zone or you have qualifying service outside of a combat zone.
- You serve in the Armed Forces on deployment outside the United States away from your permanent duty station while participating in a contingency operation. A contingency operation is a military operation that is designated by the Secretary of Defense or results in calling members of the uniformed services to active duty (or retains them on active duty) during a war or a national emergency declared by the President or Congress.

The deadline extension provision also applies to the spouse of an individual serving in a combat zone or contingency operation and support personnel serving in a combat zone or a contingency operation under the direction of the Armed Forces.

Deadline extension period

The deadline for filing Maine income tax returns and paying the taxes due is extended for 180 days after the later of:

- The last day you are in a combat zone, have qualifying service outside of a combat zone, or serve in a contingency operation (or the last day the area qualifies as a combat zone or the operation qualifies as a contingency operation), or
- The last day of any continuous qualified hospitalization for injury from service in a combat zone or contingency operation or while performing qualifying service outside of a combat zone.

In addition to the 180 days, your deadline is extended by the number of days that were left for you to file or pay when you entered a combat zone (or began performing qualifying service outside the combat zone) or began serving in a contingency operation. If you entered the combat zone or began serving in the contingency operation before the expiration of the period of time ordinarily allowed for filing or paying, your deadline is extended by the entire period of time remaining for filing or paying at the time you entered the combat zone or began serving in the contingency operation. *For example*, you had 3½ months (January 1 – April 15, 2026) to file your 2025 tax return. Any days of this 3½ month period remaining when you entered the combat zone (up to or the entire 3½ months if you entered the combat zone by January 1, 2026) are added to the 180 days when determining the last day allowed for filing your 2025 tax return.

Actions extended

The actions to which the deadline extension provision applies include:

- Filing any return of income tax (except employment and withholding taxes)

- Paying any income tax (except employment and withholding taxes)

The deadline extension will be applied upon receipt of a copy of your deployment orders. Otherwise, untimely requests for a credit or refund due to service in a combat zone or other qualified service must be in writing and will be considered on a case-by-case basis.

Taxpayers in a combat zone, or their representatives or spouses, who receive correspondence from MRS should contact the Agency immediately by emailing income.tax@maine.gov.
