Sample article for organizations to use to reach customers (349 word count)

Post the following article on your websites and/or use in other communication vehicles to help veterans.

The IRS has special tax considerations for veterans with disabilities

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

- an increase in the veteran's percentage of disability as determined by the Department of Veterans Affairs. (This could 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

To claim a refund, the disabled veteran will need to file Form 1040X, Amended U.S. Individual Income Tax Return , to correct a previously filed Form 1040, 1040A or 1040EZ. Amended returns cannot be e-filed. They must be filed as a paper return. Disabled veterans should include all documents from the Department of Veterans Affairs and any information received from Defense Finance and Accounting Services explaining the proper tax treatment for the current year.

Please note: It is only in the year of the Department of Veterans Affairs reassessment of disability percentage (including any impacted retroactive year) or the year that the CRSC is initially granted or adjusted that the veteran may need to file amended returns.

Under normal circumstances, the veteran's Form 1099-R, issued by Defense Finance and Accounting Services, reflects the correct taxable portion of compensation received. An amended return would not be required since the taxable compensation was already adjusted for any non-taxable awards.

If needed, veterans should seek assistance from a competent tax professional before filing amended returns based on a disability determination. Refund claims based on an incorrect interpretation of the tax law could subject the veteran to interest and/or penalty charges.

Review Tax Information for Members of the Military on IRS.gov for additional special tax situations of members of the U.S. Armed Forces.

NOTE TO EDITOR: Below are links to help taxpayers find the information they need.

- Publication 3, Armed Forces' Tax Guide
- Publication 525, Taxable and Non-Taxable Income

- Publication 907, Tax Highlights for Persons with Disabilities