



OFFICE OF THE CHIEF COUNSEL

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

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The Honorable Timothy Walz
U.S. House of Representatives
Washington, DC 20515

Attention:

Dear Mr. Walz:

I apologize for the delay in responding to your inquiry dated March 5, 2010, on behalf of your constituent, . asked about the tax treatment of leave accrued under Post Deployment/ Mobilization Respite Absence (PDMRA).

Unfortunately, I cannot provide an answer at this time. No one has raised this issue before, and our office is working with the Department of Defense to gain a greater understanding of the calculation and accrual of PDMRA. In order to determine the proper tax treatment of this benefit, our office will need to continue coordinating with the Department of Defense. If we determine that these benefits are exempt from taxation, we will work with the Department of Defense to make sure we communicate that determination to all reserve components and branches of the United States Armed Forces.

I am sorry we cannot be more helpful at this time. I will send you a follow-up letter as soon as we make a determination. If we can assist you further, please contact me or
at .

Sincerely,

LYNNE CAMILLO
Branch Chief, Employment Tax Branch 2
(Exempt Organizations/ Employment Tax/
Government Entities)
(Tax Exempt and Government Entities)