

Military Not Same Status

(continued from page 10)

If they filed separate returns, Blaz said one of them would have to file in the U.S. and the other in Guam. But if they decided to file a joint return, Blaz said, it would have to be filed in the jurisdiction where the spouse with the larger income was born or naturalized.

For the military, special rules apply.

For example, Blaz said, a U.S. citizen born in California who went into the military as a resident of California is generally considered still a resident there. Thus, regardless of where he is stationed, he will be required to file his income tax return with the IRS in the U.S.

He also will be required in the same return to include outside income earned or received from any other source. Blaz said this means the serviceman would have to include "moonlighting income" received in Guam for services performed, not of a military nature.

If the serviceman's wife wanted to file a joint return with her husband in the U.S., she could do so, Blaz said. If she wanted to file separately, she could do so either on Guam or in the U.S.

But, Blaz warned, if the wife of a serviceman did file separately on Guam, she would not be able to file jointly with her husband in the U.S.

Blaz also stressed that neither the military husband nor his wife could file separately and claim the other spouse as an exemption if both had income. He notes that under a new special administrative agreement between the IRS and GovGuam steps have been taken to cross check the filings of American citizens and their spouses with income in both jurisdictions.

Citizens of Guam in the Armed Forces normally will be required to file their tax returns with GovGuam in accordance with the provisions of the Soldiers and Sailors Civil Relief Act, Blaz added.

U.S. citizens who are civilians must file their income tax returns in the U.S. under the new law and should file such returns with the Internal Revenue Service Center, 11601 Roosevelt Boulevard, Philadelphia, Pennsylvania, 19155.

Blaz said he was unable to

present this information earlier because the regulations, which by law were to be issued by the U.S. Department of the Treasury, have not been finally promulgated.

However, Blaz said he sent the deputy director and deputy commissioner to Washington, D.C., last month to confer with officials in both the IRS and the Treasury Department to obtain the commitments outlined above.

When further information is available, Blaz said he will report it. He said he expects an official announcement to be published in Washington by the U.S. government soon.

Any questions on filing returns under the new statutory provisions may be presented at the Office of Revenue and Taxation in the GovGuam Administration Building in Agana or by calling 772-6341 or 777-8406.