

E-Mail ALSPO E/10

Subj: EXEMPTION FROM STATE TAX WITHHOLDING FOR RESIDENTS OF OKLAHOMA

Ref: (a) [Personnel and Pay Procedures Manual, PPCINST M1000.2\(series\), Chap 8-B](#)

Introduction This E-Mail ALSPO message announces the implementation of exemption from state income tax withholding for members claiming Oklahoma as their state of legal residence.

Discussion Per Oklahoma Statute, Title 68, § 2358 (2009), effective for taxable years beginning on or after 1 January 2010 and through 2014, all military pay received by active duty or reserve members of the Armed Forces will be exempt from Oklahoma income tax.

The military pay exemption applies to all Oklahoma military members regardless of where the member is stationed.

Continuation of the tax exclusion for tax years 2015 and beyond will be determined later based on an analysis by Oklahoma officials of various kinds of revenues.

Discontinuation of Oklahoma State Income Tax Withholding Effective 1 July 2010, PPC stopped withholding of state income tax for members claiming Oklahoma as their state of legal residence. However, PPC will continue to report earnings even though taxes will not be withheld. Members must continue to file Oklahoma state income tax returns to claim the exclusion of military pay. Other earnings by military personnel, such as investment income or income from other employment, are not exempt.

Refunds of Oklahoma State Income Tax Withholding Members will need to file 2010 Oklahoma state income tax returns to obtain refunds of state income taxes withheld from military pay for the period 1 January 2010 through 30 June 2010.

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**SPO
Procedures to
Establish or
Change State of
Legal
Residency**

When **establishing** or **changing** state of legal residency to Oklahoma (No SPO action is required for current Oklahoma residents) enter the State Code – “OK”, in the **State Info** section of the **Employee Tax Data, State Tax Data 1** tab, as shown below. The **Marital Status** and **Number of Exemptions** do not apply. Their default values, which are carried over from the Federal Tax Data tab, will not be passed to JUMPS.

Home > [Compensate Employees](#) > [Maintain Payroll Data \(US\)](#) > [Use](#) > **Employee Tax Data**

Federal Tax Data 1 Federal Tax Data 2 Federal Tax Data 3 **State Tax Data 1** State Tax Data 2

ID: _____

Company: CGA Active Coast Guard Employees

Effective Date: 06/22/2010 Find | View All < < 1 of 2 > >

Effective Date: 06/22/2010 +

State Info. Find | View All < < 1 of 1 > >

*State: **OK** Graduated Tax Tbls-Allowances

Resident Non-Residency Statement Filed UI Jurisdiction

Special Tax Status

None Exempt and do not withhold tax Native American

Maintain gross taxable; SWT will be zero unless specified in 'Additional Withholding' below

Marital Status: 1 Single or married claim single

Withholding Allowances: 1

Additional Amount Adjustment

Amount: Increase Decrease

Percentage:

Lock-In Details

Letter Received

Limit On Allowances: 0

**Directives
Affected**

The contents of this E-Mail ALSPO message will be incorporated into the applicable sections of reference (a). This E-Mail ALSPO message provides interim guidance, which shall expire one year for the date of issuance unless it is incorporated into an appropriate PPC publication, reissued, or cancelled.

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Questions Questions regarding the content of this E-Mail ALSPO message may be directed to PPC Customer Care at:

 (866) 772-8724/(785) 339-2200
 <http://www.uscg.mil/ppc/ccb/> (Online Trouble Ticket/Inquiry Form)
 PPC-DG-CustomerCare@uscg.mil (E-Mail)

Members should contact the Oklahoma State Tax Commission at (405) 521-3160 or visit <http://www.tax.ok.gov> if they have questions about the exemption or filing their state income tax returns or they should contact their local legal assistance attorney.

Released by Internet release authorized.

/s/
J. D. PHILLIPS, CAPT, USCG
Commanding Officer