



07 | 12 | 19

### **Time is running out for some combat-injured veterans to claim tax refunds of up to \$3,200**

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WASHINGTON — The Internal Revenue Service is reminding veterans who received disability severance payments after 1991 and claimed it as income that time may be running out to claim their refund.

Veterans should take action soon if they received a notice (letters 6060-A and 6060-D) and have not already filed [Form 1040X](#), Amended U.S. Individual Income Tax Return, to claim a refund or credit of the overpayment attributable to the disability severance payment should do so soon.

“We appreciate the service and sacrifice of our nation’s combat-injured veterans, and the IRS is pleased to help deliver refunds under this special provision,” said IRS Commissioner Chuck Rettig. “Time is running out this month for many people who qualify for this refund. We urge combat-injured veterans to take time review the provisions to see if they are eligible.”

The Combat-Injured Veterans Tax Fairness Act of 2016 provides that most veterans who received a one-time, lump-sum, disability severance payment when they separated from military service are entitled to a refund if that payment was claimed as income. The payment must have been received after Jan. 17, 1991, and before Jan. 1, 2017. Eligible veterans should have received a mailed notice from the Department of Defense in July of 2018 explaining how to claim their tax refunds.

#### **Some veterans have yet to act**

Deadlines are soon approaching as the time available for claiming these tax refunds is limited to:

- One year from the date of the Department of Defense notice, or
- Three years after the due date for filing the original return for the year the disability severance payment was made, or
- Two years after tax was paid for the year the disability severance payment was made.

Veterans claiming their refund have the normal limitations period for claiming a refund or one year from the date of their letter from the DoD, whichever expires later. As taxpayers can usually only claim tax refunds within three years from the due date of the return, this alternative time frame is especially important since some of the claims may be for refunds of taxes paid as

far back as 1991. While many veterans have claimed their refunds in the past year, many others have not, and time is running short.

### **Two options for claiming the tax refund:**

- Option 1: File a claim based on the actual amount of the overpayment attributable to your lump sum disability severance payment, or
- Option 2: Choose to claim the standard refund amount listed below that corresponds to the year the disability severance payment was made. Simply write “Disability Severance Payment” on Form 1040X, line 15, and enter the standard refund amount listed below on line 15, column B, and on line 22, leaving the remaining lines blank.

Veterans can submit a claim based on the actual amount of their disability severance payment by completing Form 1040X and carefully following the [instructions](#). An original return is not necessary if the information for that tax year is available. Veterans without the required information to complete the Form 1040X, you can request a transcript online at [IRS.gov/transcript](https://www.irs.gov/transcript).

Option 2, claiming a standard refund amount, is the easiest way to request a refund because it does not require finding the original tax return or requesting information about the return from the IRS. It may result in a larger or smaller refund based on the actual amount from the return. The standard refund amounts are:

- \$1,750 for tax years 1991 – 2005
- \$2,400 for tax years 2006 – 2010
- \$3,200 for tax years 2011 – 2016

### **Special Instructions**

Carefully follow the instructions in the notice mailed by the Department of Defense in July 2018:

- Complete and file IRS Form 1040X, Amended U.S. Individual Income Tax Return, for the tax year the disability severance payment was made
- Write either “Veteran Disability Severance” or “St. Clair Claim” across the top of the front page of the Form 1040X
- All amended returns are filed on paper, so veterans should mail their completed Form 1040X, with a copy of the DoD letter, to:

Internal Revenue Service  
333 W. Pershing Street, Stop 6503, P5  
Kansas City, MO 64108

### **Eligible but never received a DoD notice**

Veterans who did not receive the notice from the Department of Defense and received a disability severance payment after Jan. 17, 1991, that was reported as taxable income, can still file a claim. They must include the necessary documentation to file with their Form 1040X. Veterans should contact the [National Archives, National Personnel Records Center](#), or the

[Department of Veterans Affairs](#) to obtain the required documentation for submission with their Form 1040X.

The IRS has posted [detailed information](#) on IRS.gov. [Veterans](#) with questions about claiming a tax refund for disability severance payment, can call the IRS toll free at (833) 558-5245 ext. 378 between 7 a.m. and 7 p.m. local time (Alaska and Hawaii follow Pacific time).