



STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF REVENUE
DELAWARE STATE BUILDING
820 N. FRENCH STREET
WILMINGTON, DELAWARE 19801

DIVISION OF REVENUE
TECHNICAL INFORMATION MEMORANDUM 86-2

January 1, 1986

SUBJECT: Voluntary State Tax Withholding From Military Retirement Pay

The State of Delaware has entered into an agreement with the United States Department of Defense whereby Delaware state tax can be withheld from the monthly retired pay of Uniformed Service members who are residents of Delaware and who voluntarily request such withholding in writing. Now, retired uniform service members may voluntarily elect to have his or her state tax withheld from their Uniformed Service Retirement Pay, and thus possibly avoid the necessity of making quarterly estimated tax payments or a large final payment at the time the state tax return is filed.

A member may request voluntary tax withholding by writing the retired pay office of his or her Uniformed Service. The request must include: The member's full name, social security number, the fixed amount to be withheld monthly from their retired pay, the designated state (Delaware) to receive the withholding and the members' current residence address. The home telephone number of the retiree is also requested. The request must be signed by the member or, in the case of incompetence, his or her guardian or trustee. The amount of the request for State Tax Withholding must be an even dollar amount and not less than ten dollars (\$10.00).

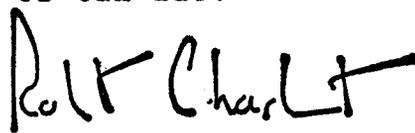
The uniformed services' retired pay office addresses are listed below:

- (1) Army: Commanding Officer
U.S. Army Finance and Accounting Center
(Dept. 90)
Indianapolis, IN 46249
(800) 428-2290
- (2) Navy: Commanding Officer
Navy Finance Center (Code 301)
Anthony J. Celebrezze Federal Building
Cleveland, OH 44199
(800) 321-1080

- (3) Air Force: Commander
Air Force Accounting and Finance Center
ATTN: RP
Denver, CO 80279
(800) 525-0104
- (4) Marine Corps: Commanding Officer (CPR)
Marine Corps Finance Center
Kansas City, MO 64197
(800) 645-2024
- (5) Coast Guard: Commanding Officer (Ret)
U.S. Coast Guard Pay & Personnel Center
444 S.E. Quincy Street
Topeka, KS 66683
(913) 295-2657
- (6) PHS: U.S. Public Health Service
Compensation Branch
5600 Fisher Lane (Room 4-50)
Rockville, MD 20857
(800) 638-8744 (Except AK & MD)
- (7) NOAA: Commanding Officer
Navy Finance Center (Code 301)
Anthony J. Celebrezze Federal Building
Cleveland, OH 44199
(800) 321-1080

Military retirees presently paying estimated tax to Delaware who elect to have Delaware income tax withheld from their military retirement pay may or may not need to continue paying estimated tax, depending on their personal tax situation. Estimated tax payments may still be required if: 1) the amount the retiree elects to have withheld from his or her annuity is not sufficient to satisfy the tax liability with respect to such income, or 2) the retiree has additional income from other sources on which tax is not withheld. If the retiree has income from other sources on which tax is not withheld, he or she may elect to have a sufficient amount of tax withheld from annuity payments to satisfy the total tax obligation.

Every person who is a resident of Delaware, or a non-resident of Delaware with Delaware source income, is required to file a Declaration of Estimated Tax if the Delaware estimated tax can reasonably be expected to exceed \$100. A penalty of 1.5% per month or fraction thereof on the amount of underpayment during the period of the underpayment is imposed for failure to file a declaration or pay any installment of tax due.



Robert W. Chastant
Director of Revenue