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State Income Taxation of Military Personnel and United States Citizens Residing Outside of the United States

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State Income Taxation of Military Personnel and United States Citizens Residing Outside of the United States

Summary

This report examines and summarizes the laws of the fifty states and the District of Columbia respecting taxation of income of citizens domiciled within the state but residing abroad. It has been prepared biennially for many years.

This report is divided into an introduction and four sections. The introduction includes a brief summary of pertinent provisions of Federal law, including 1) the Soldiers' and Sailors' Civil Relief Act (containing special provisions governing the treatment of members of the military for domicile and state income tax purposes) and 2) Internal Revenue Code provisions governing exclusion of income earned in foreign countries, which may have an impact upon state treatment of the income of domiciliaries residing abroad.

Section I discusses the six states (and the District of Columbia) which have no special credit for foreign taxes paid or some exemption for income earned abroad. The definitions of domicile and residency, the tax base and the probable income tax obligation of domiciliaries abroad are addressed. Two of these states do not tax earned income (Tennessee and New Hampshire). Tennessee taxes only income from stocks and bonds, and New Hampshire taxes dividends and interest and unincorporated businesses.

Section II focuses on those eleven states which provide a state income tax credit for foreign income tax paid. Statutory language is summarized for each of these states. In a number of cases the statutes provide for a credit for taxes outside the state (to other states and to foreign countries).

Section III summarizes the provisions of law in those twenty-six states that exclude some foreign source earned income from state taxation, following federal law on the subject.

Section IV lists the seven states which have no income tax.

Contents

Introduction	1
I. States with No Foreign Tax Credit or Exemption Provision	3
Alabama	3
California	4
District of Columbia	5
Mississippi	5
New Hampshire	6
New Jersey	6
Tennessee	7
II. States Granting an Income Tax Credit for Foreign Income Tax Paid	8
Arizona	8
Hawaii	9
Indiana	11
Iowa	12
Maine	13
Massachusetts	15
Montana	16
New Mexico	17
North Carolina	18
Oregon	19
Pennsylvania	20
III. States Exempting Income Earned Abroad to the Same Extent as Federal Law	21
Arkansas	21
Colorado	22
Connecticut	24
Delaware	25
Georgia	26
Idaho	27
Illinois	28
Kansas	29
Kentucky	30
Louisiana	31
Maryland	32
Michigan	34
Minnesota	35
Missouri	36
Nebraska	37
New York	38
NorthDakota	39
Ohio	40
Oklahoma	41
Rhode Island	43
South Carolina	44

Utah	45
Vermont	46
Virginia	47
West Virginia	48
Wisconsin	49
IV. States Having No Income Tax	50
Alaska	50
Florida	50
Nevada	50
South Dakota	50
Texas	50
Washington	50
Wyoming	50

State Income Taxation of Military Personnel and United States Citizens Residing Outside of the United States

Introduction

This report examines and summarizes the laws of the fifty states and the District of Columbia respecting the taxation of income of United States citizens domiciled within the state but residing abroad. The report is divided into four substantive sections. Section I discusses the law of states with no foreign tax credit or exemption provision. Section II analyzes the laws of states which grant an income tax credit for foreign income tax paid to a foreign country. In many cases, these states merely permit credit of any taxes paid outside of the state, whether to other states or to foreign governments. Section III describes the laws of the states which exempt income earned abroad to the same extent as such income is exempted by federal law. Section IV lists the seven states which have no income tax. Since no income tax is imposed, there can really be no substantive discussion of the treatment of United States citizens domiciled in the state but residing abroad. States which tax only certain types of income, such as dividends and interest (see discussions of New Hampshire and Tennessee), are discussed under the general tax provisions in Section I.

The first three sections are divided into a discussion of the definitions of domicile and residency for state income tax purposes, the tax base used by the state, and the probable income tax obligation in each of these states for domiciliaries residing abroad. In addition, special note is made where state domicile or residency is determined in whole or in part by voting within the state and where special rules apply to military personnel.

In regard to the special rules applicable to military personnel, a number of states merely refer to the tax provisions of the Soldiers' and Sailors' Civil Relief Act of 1940, presently found at 50 U.S.C. App. 574. Generally, this section provides that for state income tax purposes, an individual does not lose domicile in a specific state solely "by reason of being absent therefrom in compliance with military or naval orders" The same law also provides that, for state income tax purposes, an individual does not acquire residence or domicile solely because of location under military orders. The Act further states that, where an individual is not deemed to reside or be domiciled in a state, military income will be treated by that state as non-resident income not earned within the state.

Section 911 of the Internal Revenue Code (IRC) permits United States citizens who reside abroad to exclude from their gross income up to \$80,000 of foreign earned income in tax year 2003 and a certain recognized amount for housing. This

exclusion applies to taxpayers living abroad who were present in a foreign country or countries for 330 days out of any 12 consecutive months. The housing cost amount is the excess of the taxpayer's expenses over a base housing amount. The base housing amount is equal to 16 percent of the salary of a GS-14 government employee. As of January 1, 2003, this salary is \$72,381 so that the current base housing amount would be \$11,580.96. Housing costs provided by an employer may also be excluded from the gross income of the employee. In line with this, IRC § 119 provides that lodging furnished in an overseas camp may be excluded from the employee's income. It should be noted that neither exclusion is applicable to wages paid by the United States government even if the Federal employee is residing abroad.

Most states, and the District of Columbia, have signed agreements with the Treasury Department which provide for the withholding of state income taxes from the pay of service members. The text of the standard agreement may be found at 31 CFR § 215.6 - 13 (2001). The following states do not have standard agreements with the Treasury Department to withhold state income taxes from the pay of members of the armed services: Alaska, Florida, Nevada, South Dakota, Texas, Washington, and Wyoming.

The information contained in this report is accurate through the end of the 2002 legislative session of each state.

I. States with No Foreign Tax Credit or Exemption Provision

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Alabama	<p>Domicile, maintaining a permanent place of abode within the State, or spending in the aggregate more than seven months of the year within the State. Ala. Code tit. 40, § 18-2(7).</p> <p>Voting in Alabama is a factor considered by the courts in determining whether an individual is domiciled in Alabama for tax purposes. <i>State ex rel. Rabren v. Baxter</i>, 46 Ala. App. 134, 239 So. 2d 206 (1970).</p> <p>The Alabama Tax Regulations state that military personnel domiciled in Alabama continue to be domiciliaries irrespective of their period of absence or actual place of residence until proof of change of domicile or residence has been made. If domicile has changed, the burden of proof is on the taxpayer though he owns no property, earns no income, and has no place of abode in Alabama. Ala. Tax. Regs., § 810-3-2-.01.</p>	<p>The entire net income of domiciliaries and residents as defined by the statute. Ala. Code tit. 40, § 18-2.</p> <p>Non-residents taxable on income from property owned or business transacted in Alabama. Ala. Code tit. 40, § 18-2(6).</p> <p>Resident military personnel taxable on entire net income except income received for active combat duty. Ala. Code tit. 40, § 18-3.</p> <p>Non-resident military personnel are not taxed on military pay received while stationed in Alabama.</p> <p>Wives of military personnel taxable on income earned within the State. Military personnel taxable on non-military income earned within the State.</p> <p>All military retirement payments are exempt from state income taxation. Ala. Code tit. 40, § 18-20</p>	<p>Residents -- Subject to State income tax on all income.</p> <p>Non-residents -- Taxable on income from property owned or business transacted in Alabama.</p> <p>Resident military personnel -- Subject to State income tax on all income except income received for active combat duty.</p> <p>Non-resident military personnel -- Subject to State income tax on non-military income earned within the State.</p> <p>Wives of military personnel -- Taxable on income earned within the State.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
California	<p>Residents -- The term "resident" for income tax purposes includes: (a) every individual who is in the state for other than a temporary or transitory purpose, and (b) every individual domiciled in the state who is outside the state for a temporary or transitory purpose. If such person is absent for at least 18 months under an employment dated contract they are not considered to be outside the state for a temporary or transitory purposes (This exception does not apply to those who receive over \$200,000 in unearned income in a tax year). Any individual who is a resident of the state continues to be a resident even though temporarily absent from the state. An individual domiciled in California is absent from the state for a temporary purpose if such absence is by reason of (1) holding an elected or appointed office in the Federal Government or (2) working on the staff of an elected officer of the legislative branch of the U.S. Government. Cal. Rev. & Tax Code § 17014.</p> <p>Every individual who spends in the aggregate more than nine months of the taxable year within the state is presumed to be a resident. Cal. Rev. & Tax Code § 17016</p>	<p>The entire taxable income of a resident of the state. Cal. Rev. & Tax Code § 17041(a). The entire taxable income of a non-resident of the state which is derived from sources within the state. Cal. Rev. & Tax Code § 17041(b).</p> <p>Non-resident military personnel are not taxed on military income received while stationed in California. Spouses of military personnel taxable on income derived from sources within the state.</p> <p>Gross income shall not include compensation for military service performed by a non-resident and attributable to a resident spouse solely by application of any community property law or rule. Cal. Rev. & Tax Code § 17140.5.</p> <p>Military hazardous duty pay which is exempt under IRC § 112 is specifically exempt from the state income tax. Cal. Rev. & Tax Code § 17142.5</p>	<p>Residents -- Subject to state income tax on all taxable income. Non-residents -- Subject to state income tax on all taxable income derived from sources within the state.</p> <p>Resident military personnel -- Subject to state income tax on all taxable income.</p> <p>Non-resident military personnel -- Subject to state tax on non-military taxable income derived from sources within the state.</p> <p>Wives of military personnel -- Subject to state income tax on all taxable income derived from sources within the state.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
District of Columbia	<p>Residents -- The term “resident” is defined as every individual domiciled within the District on the last day of the taxable year, and every other individual who maintains a place of abode within the District for more than 183 days of the taxable year, whether domiciled in the District or not. D.C. Code tit. 47, § 1801.4. Under an earlier District of Columbia tax law, the Supreme Court held that whether or not a person votes where he claims domicile is highly relevant, but by no means controlling on the question whether he is domiciled in the District of Columbia, nor is failure to vote elsewhere conclusive that domicile is in the District. <i>District of Columbia v. Murphy</i>, 314 U.S. 441 (1941); <i>see also District of Columbia v. Woods</i>, 465 A.2d 385 (1983).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>The entire net income of residents. D.C. Code § 47-1806.1.</p> <p>The District of Columbia is precluded from levying a non-resident income tax by Public Law 93-198, 602(a), 87 Stat. 813; D.C. Code § 1-233(a)(5); § 47-1801.4.</p> <p>See IRC § 104(a)(4).</p>	<p>Residents -- Subject to D.C. income tax on net income.</p> <p>Non-residents -- Not subject to the income tax.</p> <p>Military personnel -- Not subject to income tax on pensions or annuities up to \$3000. D.C. Code § 47-1803.2</p>
Mississippi	<p>Residents and non-residents -- The term “resident” is defined as any person domiciled in the state and any other person who maintains a legal or actual residence within the state. Miss. Code § 27-7-3(e).</p> <p>The term “non-resident” is defined as any natural person whose domicile and place of abode is without the state. Miss Code § 27-7-3(f). The Mississippi Tax Regulations define “legal resident” as one who maintains a place of abode in Mississippi or who exercises legal rights such as voting. One can be a legal resident though domiciled elsewhere. Miss. Tax Reg. 1.27-7-3(5)(c); <i>State Tax Commission of the State of Mississippi v. Earnest</i>, 627 So.2d 313 (1993).</p>	<p>The entire net income of residents. Miss. Code § 27-7-5. The entire net income of non-residents from sources within Mississippi. Miss. Code § 27-7-15(3).</p> <p>Mississippi excludes from gross income: (1) the first \$500 per month received as compensation for active service in a combat zone or during hospitalization as a result of such service and; (2) hazardous duty combat pay to members of the armed forces. Miss. Code § 27-7-15(4)(j), (n).</p>	<p>Residents -- Subject to tax on their entire net income.</p> <p>Non-residents -- Subject to tax on their entire net income from sources within Mississippi.</p> <p>Military personnel -- Not subject to income tax on: (1) the first \$500 per month compensation for active service in a combat zone or during hospitalization as a result of such service and (2) hazardous duty combat pay.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Mississippi (Continued)	The Mississippi Tax Regulations state that members of the armed forces who claim Mississippi as their state of legal residence/domicile are liable for Mississippi income tax on their income. Non-resident members of the armed forces stationed in Mississippi who realize income from non-military sources within the state must file a non-resident Individual Income Tax Return. Miss. Tax Regs. § 1.27-7-15(34).	The entire income of spouses of military personnel of non-military pay from sources within Mississippi is taxable. Miss. Tax Regs. § 1.27-7-15(34).	Spouses of military personnel -- Subject to tax on non-military pay from sources within Mississippi.
New Hampshire	Taxes inhabitants or residents on interest and dividend income. N.H. Rev. Stat. Ann. § 77:3.	Interest and dividend income over \$2,400 per year. N.H. Rev. Stat. Ann. § 77:5. No mention is made of military personnel.	Inhabitants or residents -- Subject to tax on interest and dividends over \$2,400.
New Jersey	Residents -- "Residents" means (1) domiciliaries unless they maintain no permanent place of abode in the state, maintain a permanent place of abode elsewhere, and spend an aggregate of not more than 30 days in the state or (2) persons not domiciled in New Jersey who maintain a permanent place of abode in the state and spend an aggregate of more than 183 days in the state, unless such individual is in the armed forces of the United States. N.J. Stat. Ann. § 54A:1-2(m).	Residents -- New Jersey gross income as defined by statute. N.J. Stat. Ann. § 54A:5-1. Non-residents -- Specified categories of New Jersey gross income to the extent they are earned, received or acquired from New Jersey sources. N.J. Stat. Ann. § 54A:5-8.	Resident -- Subject to tax on their entire New Jersey gross income. Non-residents -- Subject to tax on the specified categories of New Jersey gross income from New Jersey sources. Military personnel -- Resident - subject to tax on entire income.

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
New Jersey (Continued)	Non-residents -- “Non-resident” means a taxpayer who is not a resident. N.J. Stat. Ann. § 54A:1-2(n).	New Jersey excludes from gross income: (1) pensions and annuities for personal injuries or sickness resulting from active service in the armed forces of the United States; (2) compensation for service in the armed forces of the United States to an individual not domiciled in New Jersey; (3) mustering-out payments to members of the armed forces of the United States; and military pensions and survivor benefit payments. N.J. Stat. Ann. §§ 54A:6-6, 6-7, and 6-26.	Non-resident -- not subject to tax on military income. Subject to tax on specified New Jersey gross income from New Jersey sources.
Tennessee	Persons in the state -- The term “person” is defined as every natural person, inhabitant, resident (any person who has a legal domicile in Tennessee), and every person who maintains a place of residence for more than six months in the tax year (regardless of what place such person may claim as legal domicile). Tenn. Code § 67-2-101(5).	(1) The income of persons in the State from dividends on stock and interest on bonds. Tenn. Code Ann. § 67-2-102. No interest or penalties may be assessed against service member serving in combat zone or hospitalized as result of injury in a combat zone. Tenn. Code § 67-2-114(a).	Persons in the state -- Subject to tax on dividends from stock and interest on bonds. Resident military -- Subject to tax on dividends from stock and interest on bonds.

II. States Granting an Income Tax Credit for Foreign Income Tax Paid

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Arizona	<p>Residents and certain non-residents -- The term "resident" includes: (1) every individual who is in the state for other than a temporary or transitory purpose, and (2) every individual domiciled in the state who is outside the state for a temporary or transitory purpose. Every individual who spends in the aggregate more than nine months of the taxable year within the state is presumed to be a resident. Ariz. Rev. Stat. Ann. §§ 43-104(14), 43-104(19).</p> <p>See Soldiers' and Sailors' Civil Relief Act. 50 U.S.C. App. § 574.</p>	<p>The entire taxable income of every resident and the entire taxable income of every non-resident which is derived from sources within the state. Ariz. Rev. Stat. Ann. § 43-1011. Since Arizona computes its own taxable income from federal adjusted gross income, the exclusions under §§ 911-912 of the IRC for income from sources without the United States are apparently adopted by into the computation of Arizona taxable income. Any combat pay not already excluded by § 112 of the IRC is specifically excluded. Ariz. Rev. Stat. Ann. § 43-1022(19).</p> <p>Residents are allowed a credit only for taxes paid to the other state or country on income derived from sources within that state or country which is taxable under the foreign laws without regard to the residence or domicile of the recipient. No credit is allowed if the other state or country allows residents of Arizona a credit against taxes imposed by that state or country for taxes paid to Arizona. Ariz. Rev. Stat. Ann. § 43-1071.</p>	<p>Residents -- Subject to tax on entire net income with §§ 911-912 and § 112 exclusions and the possibility of receiving a credit for foreign taxes paid.</p> <p>Non-residents -- Subject to tax on net income derived from sources within Arizona with the possibility of receiving a credit for foreign taxes paid on such income.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Arizona (Continued)		Non-residents are allowed a credit against Arizona taxes on income derived from sources within Arizona only if (1) the foreign country does not tax income of residents of Arizona derived from sources within that country or (2) allows residents of Arizona credit against taxes imposed by that country on such income for taxes paid to Arizona. Ariz. Rev. Stat. Ann. § 43-1096.	
Hawaii	Residents and certain non-residents -- A “resident” is defined as every individual who resides in the state for other than a temporary or transitory purpose. Every individual who is in the state more than 200 days of the taxable year in the aggregate is presumed to be a resident. This presumption may be overcome by evidence satisfactory to the Department of Taxation that the individual maintains a permanent place of abode outside of the state and is in the state for a temporary or transitory purpose. No person shall be deemed to have gained or lost a residence simply because of his presence or absence in compliance with military or naval orders. Haw. Rev. Stat. § 235-1.	The entire income of all residents. The income received or derived from property owned, personal services performed, trade or business carried on, and any and every other source in the state by a non-resident. Haw. Rev. Stat. § 235-4(a), (b). Because Hawaii computes its own taxable income from federal adjusted gross income, the exclusions under § 911 of the IRC for income from sources without the United States are apparently adopted into the computation of Hawaii taxable income. Section 912 exclusions are specifically added back into Hawaii adjusted gross income. Haw. Rev. Stat. § 235-7(b).	Residents -- Subject to tax on all income with § 911 and § 112 exclusions, and with the possibility of a credit for foreign taxes paid. Non-residents -- Subject to tax on income derived from sources within Hawaii, with the possibility of a credit for foreign taxes paid. Military personnel -- Subject to tax on military compensation with the exclusion of combat pay.

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Hawaii (Continued)		<p>Residents are allowed a credit for taxes paid to an other state or country, which are paid on income derived from sources outside the state. The credit is not allowed for taxes paid on income excluded under § 911. Haw. Rev. Stat. § 235-55(a).</p> <p>Because Hawaii computes its own taxable income from federal adjusted gross income, the exclusion under § 112 of the IRC for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is apparently incorporated into the computation of Hawaii taxable income.</p> <p>The first \$1,750 of income to members of the armed forces reserves is also excluded from gross income. Haw. Rev. Stat. § 235-7(a)(7)</p>	

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Indiana	<p>Residents and non-residents -- The term “resident” is defined as any individual who was domiciled in the state during the taxable year, or any individual who maintains a permanent place of residence in the state and spends more than 183 days of the taxable year within the state. Ind. Stat. § 6-3-1-12.</p> <p>The term “non-resident” is defined as any person who is not a resident of Indiana. Ind. Stat. § 6-3-1-13.</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>The entire federal adjusted income of residents, with adjustments not herein relevant. Ind. Stat. § 6-2.1-2-2.</p> <p>Since Indiana computes its own taxable income from federal adjusted gross income, the exclusions under §§ 911-912 of the IRC for income from sources without the United States are apparently adopted into the computation of Indiana taxable income. Ind. Stat. § 6-2.1-2-2. The federal adjusted gross income of non-residents derived from sources within Indiana. Ind. Stat. § 6-2.1-2-2.</p> <p>Indiana also gives its residents and non-residents a credit against Indiana income tax for taxes paid to another state or foreign country on income subject to tax in Indiana. Ind. Stat. §§ 6-3-3-3, 6-3-1-25.</p> <p>Indiana allows a deduction of \$2,000 per year from adjusted gross income for individuals who are members of the United States armed forces. Military retirees over 60 years of age may deduct \$2,000 in retirement or survivors' benefits. Ind. Stat. § 6-3-2-4.</p>	<p>Residents -- Subject to tax on federal adjusted gross income (above the exclusions under §§ 911-912 of the IRC) with the possibility of a credit for foreign taxes paid.</p> <p>Non-residents -- Subject to tax on federal adjusted gross income derived from sources within Indiana, with the possibility of a credit for foreign taxes paid.</p> <p>Military personnel and merchant marine -- Subject to tax on military compensation with stated exclusions.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Iowa	<p>Residents and non-residents -- The term “resident” is defined as any individual domiciled in the state, and any other individual who maintains a permanent place of abode with the state. Iowa Code § 422.4(15). The term “non-resident” includes all individuals who are not residents. Iowa Code § 422.4(10).</p> <p>The Iowa tax regulations state that unless there is evidence to the contrary, one will be presumed to be domiciled in the state if he or she exercises the right to vote, uses homestead credit or military exemption, or otherwise exercises his or her rights to suffrage. Iowa Tax Regs. subrule 38.1(9); <i>In the Matter of Fox</i>, 1996 Iowa Tax LEXIS 1996.</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>The entire income of the residents defined as federal adjusted gross income, with certain adjustments not herein relevant. Iowa Code § 422.7. Since Iowa computes its own net income from federal adjusted gross income, the exclusions under §§ 911-912 of the IRC for income from sources without the United States are apparently adopted into the computation of Iowa net income.</p> <p>The net income of non-residents derived from sources within Iowa. Iowa Code §§ 422.5(j); 422.8(2).</p> <p>Iowa also provides a credit against Iowa tax for taxes paid to another state or foreign country on income subject to tax in Iowa. Iowa Code § 422.8(1).</p> <p>Since Iowa computes its own taxable income from federal adjusted gross income, the exclusion under § 112 of the IRC for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is apparently adopted into computation of Iowa taxable income. Iowa Code § 422.7</p>	<p>Residents -- Subject to tax on federal adjusted gross income (above the exclusions under §§ 911-912 of the IRC) with the possibility of a credit for foreign taxes paid.</p> <p>Non-residents -- Subject to tax on federal adjusted gross income derived from sources within Iowa, with the possibility of a credit for foreign taxes paid.</p> <p>Military personnel -- Subject to tax on military compensation with stated exclusions.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Maine	<p>Residents and non-residents -- The term “resident” is defined as an individual who is domiciled in Maine; or who is not domiciled in Maine, but maintains a permanent place of abode in Maine and spends in the aggregate more than 183 days of the taxable year in this state, unless he is in the armed forces of the United States. Me. Rev. Stat. tit. 36 § 5102.</p> <p>The term “non-resident” is defined as an individual who is not a resident. Me. Rev. Stat. tit. 36 § 5102.</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>The taxable income of residents is defined as federal adjusted gross income allocated to state sources with certain modifications not herein relevant. Since Maine computes its own taxable income from federal adjusted gross income, the exclusions under §§ 911-912 of the IRC for income from sources without the United States are apparently adopted into the computation of Maine taxable income. Me. Rev. Stat. tit. 36 § 5121.</p> <p>The portion of federal adjusted gross income of non-residents derived from sources within the state. Me. Rev. Stat. tit. 36 § 5142.</p> <p>A resident is allowed a tax credit for taxes paid to another state or foreign country. Me. Rev. Stat. tit. 36 § 5217A.</p> <p>If a taxpayer is regarded as a resident of Maine and another jurisdiction for the purpose of personal income taxation, the tax assessor shall reduce the tax on that portion of the taxpayer's income which is subjected to tax in both jurisdictions, provided that the other taxing jurisdiction allows a similar reduction. Me. Rev. Stat. tit. 36 § 5128.</p> <p>Since Maine computes its own taxable income from federal adjusted gross</p>	<p>Residents -- Subject to tax on taxable income in excess of the exclusions under §§ 911-912 of the IRC with the possibility of a reduction of taxes for taxes paid to another jurisdiction.</p> <p>Non-residents -- Subject to tax on the portion of federal adjusted gross income derived from sources within Maine with the possibility of a reduction in taxes for taxes paid to another jurisdiction.</p> <p>Military personnel -- Subject to tax on military compensation with stated exclusions.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Maine (Continued)		the IRC for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is apparently adopted into the computation of Maine taxable income. Me. Rev. Stat. tit. 36 § 5121.	

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Massachusetts	<p>Residents and certain non-residents -- The term “resident” or inhabitant is defined as (1) any natural person domiciled in the Commonwealth or (2) a non-domiciled natural person who has a permanent place of abode and spends over one hundred and eighty three days in the Commonwealth. The term “non-resident” is defined as any natural person whose domicile is outside the Commonwealth. Mass. Gen. L. Ann. ch. 62, § 1(f).</p> <p>The Massachusetts Board of Tax Appeals has ruled that change of domicile from the Commonwealth to a foreign country requires greater proof of intent to abandon domicile than a change of domicile between states of the United States. <i>Farr v. Commissioner</i>, 1 Mass. B.T.A. 467 (1932).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>The taxable income of residents defined as federal adjusted gross income. However, Massachusetts does not allow the exclusion of income from sources without the United States in the computation of Massachusetts taxable income. Mass. Gen. L. Ann. ch. 62 § 2(a)(1)(C). Massachusetts allows a credit for taxes paid to other states or the Dominion of Canada or any of its provinces, with certain limitations. Mass. Gen. L. Ann. ch. 62 § 6(a).</p> <p>The portion of federal adjusted gross income of non-residents derived from sources within Massachusetts. Mass. Gen. L. Ann. ch. 62 § 5A(a).</p> <p>The compensation paid to military personnel for active duty shall be deemed to be from sources other than sources within the Commonwealth. Mass. Gen. L. Ann. ch. 62 § 5A(c).</p>	<p>Residents -- Subject to tax on federal adjusted gross income without the exclusion under § 911 of the IRC for income derived from sources without the United States. A credit for taxes paid to other states or Canada or its provinces is allowed.</p> <p>Non-residents -- Subject to tax on the portion of federal adjusted gross income derived from sources within Massachusetts.</p> <p>Military personnel-- Compensation paid to military personnel for active duty shall be deemed to be from sources other than sources within the Commonwealth.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Montana	<p>Residents and non-residents -- The term “resident” is defined as any natural person domiciled in the state or who maintains a permanent place of abode within the state even though temporarily absent from the state and who has not established a residence elsewhere. Mont. Code tit. 15 § 30-101(16).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The entire adjusted gross income of residents defined as federal adjusted gross income with certain modifications not herein relevant. Since Montana defines its adjusted gross income in terms of federal adjusted gross income, the exclusions under §§ 911-912 of the IRC for income from sources without the United States are apparently adopted into the computation of Montana adjusted gross income. Mont. Code tit. 15 § 30-111.</p> <p>(2) The entire earned income of non-residents derived from sources within Montana. Mont. Code tit. 15 § 30-131.</p> <p>(3) Montana excludes remuneration paid for active service as a member of the armed forces of the United States from the definition of taxable wages for residents. Mont. Code tit. 15 § 30-116(2).</p> <p>Residents are allowed a credit for taxes paid to other states or foreign countries. Mont. Code tit. 15 § 30-124.</p>	<p>Residents -- Subject to tax on federal adjusted gross income above the exclusion of §§ 911-912 of the IRC. Foreign credit is allowed.</p> <p>Non-residents -- Subject to tax on net income derived from sources within Montana.</p> <p>Military personnel -- Not subject to tax on military compensation.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
New Mexico	<p>Residents and non-residents -- The term “resident” is defined as an individual who is domiciled in the state during any part of the taxable year. Any person who, on or before the last day of the taxable year, changes his place of abode to a place without the state with the <i>bona fide</i> intention of continuing actually to abide permanently without the state is not a resident. N. Mex. Stat. § 7-2-2(S).</p> <p>The term “non-resident” is defined as every individual not a resident of the state. N. Mex. Stat. § 7-2-2(Q).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The net income of every resident defined in terms of federal taxable income with certain modifications not herein relevant. Since New Mexico defines its tax base in terms of federal taxable income, the exclusions under §§ 911-912 of the IRC for income derived from sources without the United States are apparently adopted. N. Mex. Stat. § 7-2-3.</p> <p>(2) The net income of every non-resident derived from sources within New Mexico. N. Mex. Stat. § 7-2-3. New Mexico defines “state” to include foreign country. N. Mex. Stat. § 7-2-2(U).</p> <p>(3) New Mexico also allows residents a credit for taxes paid to another state. N. Mex. Stat. § 7-2-13.</p> <p>Since New Mexico computes its own taxable income from federal adjusted gross income, the exclusion under § 112 of the IRC for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is apparently adopted into the computation of New Mexico taxable income. N. Mex. Stat. § 7-2-2.</p>	<p>Residents -- Subject to tax on net income above the exclusions under §§ 911-912 of the IRC with the possibility of a credit for taxes paid to another state.</p> <p>Non-residents -- Subject to tax on net income derived from sources within New Mexico.</p> <p>Military personnel -- Subject to tax on military compensation with stated exclusions.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
North Carolina	<p>Residents and non-residents -- The term “resident” is defined as an individual who is domiciled in the state for other than a temporary or transitory purpose. Absent other evidence, residence in the state for over 183 days of the taxable year raises the presumption that the individual is a resident. N.C. Gen. Stat. § 105-134.1(12).</p> <p>The term “non-resident” is defined as any individual who is not a resident. N.C. Gen. Stat. § 105-134.1(9).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The net income of residents as defined under N.C. Gen. Stat. § 105-134.5(a). Because North Carolina defines its adjusted gross income in terms of federal adjusted gross income, the exclusions under §§ 911-912 of the IRC for income from sources without the United States are apparently adopted into the computation of North Carolina adjusted gross income</p> <p>(2) The net income of non-residents for income derived from sources within North Carolina. N.C. Gen. Stat. § 105-134.5(b).</p> <p>North Carolina allows its residents a credit against taxes paid to another state or foreign a country in certain instances. N.C. Gen. Stat. § 105-151.</p>	<p>Residents -- Subject to tax on net income with the possibility of a tax credit for taxes paid to another state or foreign country.</p> <p>Non-residents -- Subject to tax on net income derived from sources within North Carolina.</p> <p>Military personnel -- Subject to tax on military compensation.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Oregon	<p>Residents and non-residents -- The term "resident" is defined as: (1) an individual who is domiciled in this state unless he (A) maintains no permanent place of abode in this state, (B) does maintain a permanent place of abode elsewhere, and (C) spends in the aggregate not more than 30 days in the taxable year in this state; or (2) an individual who is not domiciled in this state, but maintains a permanent place of abode in this state and spends in the aggregate more than 200 days of the taxable year in this state, unless he proves that he is in the state only for a temporary or transitory purpose. Ore. Rev. Stat. § 316.027(1)(a), (b).</p> <p>A non-resident is an individual who is not a resident. Ore. Rev. Stat. § 316.022(4).</p>	<p>(1) The entire taxable income of residents defined as federal taxable income with certain modifications not herein relevant. Since Oregon defines its own taxable income in terms of federal taxable income, the exclusions under §§ 911-912 of the IRC for income from sources without the United States are apparently incorporated into the computation of Oregon taxable income. Ore. Rev. Stat. §§ 316.007, 316.037.</p> <p>(2) The taxable income of non-residents derived from sources within Oregon. Ore. Rev. Stat. §§ 316.117, 316.127.</p> <p>Oregon also gives to residents a credit against Oregon income taxes for taxes imposed on the taxpayer by another state. Ore. Rev. Stat. § 316.082.</p> <p>A modified foreign tax credit is allowed. Ore. Rev. Stat. § 316.690.</p> <p>(3) Oregon subtracts from federal taxable income the first \$3,000 of income compensation (other than pension or retirement pay) for active service in the Armed Forces of the United States. All compensation for the initial and concluding years of active service in the Armed Forces of the United States is deducted from adjusted gross income. Ore. Rev.</p>	<p>Residents -- Subject to tax on federal taxable income above the exclusions under § 911-912 of the IRC and with the possibility of a credit for foreign taxes paid.</p> <p>Non-residents -- Subject to tax on federal taxable income derived from sources within Oregon.</p> <p>Military personnel -- Subject to tax on military compensation above the first \$3,000.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Pennsylvania	<p>Residents and non-residents -- The term “resident” is defined to include both (1) domiciliaries, unless the domiciliary maintains no permanent place of abode within the Commonwealth, maintains a permanent place of abode outside the Commonwealth and resides within the Commonwealth for less than thirty days of the taxable year, and (2) non-domiciliaries maintaining a permanent place of abode within the Commonwealth for more than 183 days of the taxable year. Pa. Stat. tit. 72 § 7301(p).</p> <p>“Non-resident” is defined as any individual who is not a resident. Pa. Stat. tit. 72 7301(m).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The entire income of residents defined under Pa. Stat. tit. 72 § 7303.</p> <p>(2) The income of non-residents derived from sources within Pennsylvania. Pa. Stat. tit. 72 § 7303.</p> <p>Pennsylvania allows residents a credit for taxes paid to another state or foreign country on income also subject to tax in Pennsylvania. Pa. Stat. tit. 72 §§ 7301(t), 7314.</p> <p>Military compensation for active duty performed outside of Pennsylvania is exempt from taxation. Pa. Stat. tit. 72 § 7303(a)(1).</p>	<p>Residents -- Subject to tax on income with a credit for taxes paid to another state or foreign country on income also subject to tax in Pennsylvania.</p> <p>Non-residents -- Subject to tax on income from sources within Pennsylvania.</p> <p>Military personnel -- Subject to tax on military income except for compensation for active duty performed outside of Pennsylvania.</p>

III. States Exempting Income Earned Abroad to the Same Extent as Federal Law (Sections 911 - 912 of the IRC)

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Arkansas	<p>Residents and non-residents -- The term "resident" is defined to include any natural person domiciled in the state and any natural person who maintains a permanent place of abode in the state and spends in the aggregate more than six months of the taxable year within the state. Ark. Code Ann. § 26-51-102(9).</p> <p>The Arkansas Tax Regulations state that a domicile does not end by physical absence alone and is presumed to continue until a new domicile is legally established. The regulations contain a fact sheet listing the various factors to be taken into consideration in determining whether a new domicile has been established. The elements of a new domicile on the fact sheet include: voter registration and exercise of suffrage during the last three elections, domicile of birth, physical presence, expressed intention, family residence, duty causing absence from Arkansas, state licenses, location of substantial real and property holdings, community affiliations, business interests, bulk or necessary purchases, utility or telephone deposits, and local taxes and licenses. Ark. Tax. Reg., Art. 1.84-2002(10). The Arkansas Tax Regulations state that any resident member of the armed forces who at the time of the induction into such service was a resident of this state, continues to be a resident of this state, even though he or she has been inducted into the armed service outside of the state and does not return to the state until after such service is ended. A member of the armed service who at the time of induction was a resident in any state other than Arkansas is for income tax purposes a non-resident even though he was inducted into the service within Arkansas and he remains in</p>	<p>The entire income of every resident as defined by the statute. Ark. Code Ann. § 26-51-201(a).</p> <p>The exclusion and allowance of IRC §§ 911 & 912 as they were in effect on January 1, 1989 are specifically adopted for purposes of computing Arkansas income tax. Ark. Code Ann. § 26-51-310.</p> <p>The entire net income of non-residents from all property owned, and from every business, trade or occupation carried on in Arkansas. Ark. Code Ann. § 26-51-202(a).</p> <p>Resident military personnel taxable on all income except for the first \$6,000 of service pay. Ark. Code Ann. § 26-51-306(a)(1). Non-resident military personnel taxable on net income from non-military sources earned within the state. Ark. Code Ann. § 26-51-306(b).</p> <p>IRC §§ 112 and 692, concerning taxation of combat pay and pay of military personnel for the year they die in combat, are adopted and these types of income are not included in the \$6,000 exemption. Ark. Code Ann. §</p>	<p>Residents-- Subject to state income taxation on federal adjusted gross income (above the exclusions under §§ 911-912 of the IRC).</p> <p>Non-residents -- Subject to state income tax on all net income from sources within the state as previously defined.</p> <p>Resident military personnel -- Subject to state income tax on entire income except for the first \$6,000 of service pay. Combat pay is exempt and all income in the year of death in combat is exempt.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Colorado	<p>the service within Arkansas. Ark. Tax. Reg., Art. 1.84-2010.</p> <p>Resident individuals and non-residents -- The term “resident” individual means a natural person who maintains a permanent place of abode within the state and who spends in the aggregate more than six months of the taxable year within the state. A “non-resident” individual means an individual other than a resident individual. Colo. Rev. Stat. § 39-22-103(8).</p> <p>The Colorado Tax Regulations state that domicile is a factual matter and that the individual's intent controls. The Regulations also state that domicile, once established, is not lost until a new domicile is established. Colo. Rev. Stat. § 39-22-103(8).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>26-51-306(a)(4).</p> <p>The entire federal adjusted gross income of resident individuals, with certain modifications not herein relevant. Colo. Rev. Stat. § 39-22-104. Since Colorado computes its own taxable income from federal adjusted gross income, the exclusions under §§ 911-912 of the IRC for income from sources without the United States and the exclusion under § 112 of the IRC for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone are apparently adopted into the computation of Colorado taxable income. Colo. Rev. Stat. § 39-22-104.</p> <p>The entire federal adjusted gross income of non-resident individuals derived from sources within Colorado. Colo. Rev. Stat. § 39-22-109.</p> <p>For purposes of determining income tax liability, Colorado disregards the time period during which an individual is a member of the armed forces of the United States:</p>	<p>Resident individuals--Subject to state income taxation on federal adjusted gross income (above the exclusions under §§ 911-912 of the IRC).</p> <p>Non-resident individuals -- Subject to state income tax on federal adjusted gross income attributable to sources within Colorado.</p> <p>Military personnel -- Subject to tax on military pay with stated exclusions.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Colorado (Continued)			(1) commencing with a declaration of war by Congress and ending twelve months after the termination of the war; and (2) when an individual is serving in an area designated as a combat zone and a period of one hundred and eighty days after such service. Colo. Rev. Stat. § 39-22-610. Colorado subtracts retirement pay, pensions and annuities of members of the armed forces to the extent included in federal adjusted gross income not to exceed \$24,000 in any one taxable year. Colo. Rev. Stat. § 39-22-104(f).

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Connecticut	<p>Residents -- “Resident” means (1) domiciliaries unless they maintain no permanent place of abode in the state, maintain a permanent place of abode elsewhere and spend in the aggregate not more than 30 days of the taxable year in the state and (2) non-domiciliaries who maintain a permanent place of abode in the state and are in the state for an aggregate of more than 183 days. Conn. Gen. Stat. Ann. § 12-701(a)(1).</p> <p>“Non-resident” is defined as any individual who is not a resident. Conn. Gen. Stat. Ann. § 12-701(a)(2).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>The entire federal adjusted gross income of resident individuals, with certain modifications not herein relevant. Conn. Gen. Stat. Ann. §§ 12-700 and 701(a)(19) & (20).</p> <p>Since Connecticut computes its own taxable income from federal adjusted gross income, the exclusions under §§ 911-912 of the IRC for income from sources without the United States and the exclusion under § 112 of the IRC for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone are apparently adopted into the computation of Connecticut taxable income. Conn. Gen. Stat. Ann. § 12-700.</p> <p>The entire federal adjusted gross income of non-resident individuals derived from sources within Connecticut. Conn. Gen. Stat. Ann. § 12-700.</p>	<p>Resident individuals -- Subject to state income taxation on federal adjusted gross income (above the exclusions under §§ 911-912 of the IRC).</p> <p>Non-resident individuals -- Subject to state income tax on federal adjusted gross income attributable to sources within Connecticut.</p> <p>Military personnel -- Subject to tax on military pay with stated exclusions.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Delaware	<p>Resident individuals and non-resident individuals. A “resident individual” is defined as one who is domiciled in the state for any part of the taxable year to the extent of the period of such domicile; or maintains a place of abode in the state and spends more than 183 days of the taxable year in the state. Del. Code Ann. § 30-1103.</p> <p>A “non-resident individual” is defined as one who is not a resident individual of the state. Del. Code Ann. § 30-1104.</p> <p>The Delaware Superior Court has held that an individual who had moved to Washington, D.C. to take employment, but who continued to vote in Delaware had abandoned his Delaware domicile. The court found that the voting, which it termed “illegal,” did not prove Delaware domicile. <i>Mitchell v. Delaware State Tax Commissioner</i>, 42 A.2d 19 (Del. Supr. Ct. 1945).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>The entire taxable income of every resident individual defined as such individual's federal adjusted gross income with certain modifications not herein relevant. Del. Code Ann. §§ 30-1102 and 30-1105.</p> <p>Since Delaware computes its own taxable income from federal adjusted gross income, the exclusions under §§ 911-912 of the IRC for income from sources without the United States and the exclusion under § 112 of the IRC for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone are apparently adopted into the computation of Delaware taxable income.</p> <p>The taxable income of a non-resident individual defined as that part of his federal adjusted gross income derived from sources within the State. Del. Code Ann. § 30-1102(a).</p>	<p>Resident individuals -- Subject to state income taxation on federal adjusted gross income (above the exclusions under §§ 911-912 of the IRC).</p> <p>Non-resident individuals -- Subject to state income tax on federal adjusted gross income attributable to sources within Delaware.</p> <p>Military personnel -- Subject to tax on military compensation with stated exclusions.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Georgia	<p>Residents and taxable non-residents -- The term "resident" is defined to include "legal residents" of the state on December 31 of the taxable year in question, persons residing in the state on a "more or less regular basis" on December 31 of the taxable year under consideration, and persons residing in the state in the aggregate for 183 days or part-days for the taxable year. Ga. Code § 48-7-1(10).</p> <p>"Taxable non-residents" are defined to include the following: (1) every individual who is not otherwise a resident of Georgia for income tax purposes and who regularly, and not casually or intermittently, engages within Georgia, himself or by means of employees, agents or partners, in employment, trade, business, professional, or other activity for financial gain or profit, including the rental of real or personal property located within Georgia or for use within Georgia; and (2) every individual who is not otherwise a resident of Georgia for income tax purposes and who sells, exchanges or otherwise disposes of tangible property which at that time has a taxable situs within Georgia, or of intangible property which has acquired at the time a business or commercial situs within Georgia. "Taxable non-resident" as defined herein does not include a legal resident of another state whose only activity for financial gain or profit in Georgia consists of performing services in Georgia for an employer where the remuneration for such services does not exceed five percent of the income received by such person for performing services in all places during any taxable year; Ga. Code § 48-7-1(11)(A) & (B).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>The taxable net income of all residents defined as federal adjusted gross income less items not herein relevant. Since Georgia computes its own taxable net income on the basis of federal adjusted gross income, the exclusions under §§ 911-912 of the IRC for income from sources without the United States are apparently adopted into the computation of Georgia taxable net income. Ga. Code § 48-7-27.</p> <p>The federal exclusion under § 112 of the IRC for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is specifically adopted into the computation of Georgia taxable income. Ga. Code § 48-7-36.</p>	<p>Residents -- Subject to tax on federal adjusted gross income (above the exclusions under §§ 911-912 of the IRC).</p> <p>Taxable non-residents -- Subject to tax on net taxable income derived from certain specified activities within Georgia.</p> <p>Military personnel -- Subject to tax as residents on federal adjusted gross income less specified items.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Idaho	<p>Residents, and part-year resident. The term “resident” is defined as any individual who during the taxable year has been domiciled in Idaho or has maintained an abode in Idaho for the entire tax year and spent more than 270 days of that year in the state. An individual will not be considered a resident if during a 15 month period he is absent from the state for at least 445 days, is not present in the state for more than 60 days, did not maintain an abode for his family in the state, was not absent to serve as an elected official, and did not claim Idaho as his tax home for federal income tax purposes. Ida. Code § 63-3013.</p> <p>The term “part-year resident” is defined as an individual who has changed his domicile either to or from Idaho and who has resided in Idaho for over a day. Ida. Code § 63-3013A .</p> <p>The term “non-resident” is defined as any individual who is not a resident or part-year resident. Ida. Code § 63-3014.</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>Taxable income of residents defined as taxable income under § 63 of the IRC. Since Idaho computes its taxable income from federal taxable income, §§ 911-912 of the IRC for income from sources without the United States are apparently adopted into the computation of Idaho taxable income. Ida. Code 63-3022.</p> <p>The taxable income of non-residents and part-year residents to the extent it is attributable to certain specified activities within Idaho. Ida. Code § 63-3026A.</p> <p>Not subject to tax on active duty compensation for services performed outside of the state, Ida. Code § 63-3022(h), or retirement benefits, Ida. Code § 63-3022A(4).</p>	<p>Residents -- Subject to tax on federal taxable income (above the exclusions under §§ 911-912 of the IRC).</p> <p>Non-residents and part-year residents -- Subject to tax on federal taxable income attributable to certain sources within Idaho.</p> <p>Military personnel -- Not subject to tax on active duty compensation for services performed outside of the state.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Illinois	<p>Residents, part-year residents -- The term “resident” is defined as any individual who is in the state for other than a temporary or transitory purpose during the taxable year or who is domiciled in the state, but is absent from the state for a temporary or transitory purpose during the taxable year. 35 ILCS § 5/1501(20).</p> <p>The term “part-year resident” is defined as an individual who became a resident during the taxable year or ceased to be a resident during the taxable year. 35 ILCS § 5/1501 (17).</p> <p>The term “non-resident” is defined as a person who is not a resident. 35 ILCS § 5/1501 (14).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>The entire federal adjusted gross income of residents, with certain modifications not herein relevant. Since Illinois computes its own base income from federal adjusted gross income, the exclusions under §§ 911-912 of the IRC for income from sources without the United States are apparently adopted into the computation of Illinois base income. 35 ILCS § 5/203.</p> <p>All income of part-year residents and non-residents attributable to certain activities within Illinois. 35 ILCS §§ 5/301, 304.</p> <p>Illinois deducts from gross income any compensation paid to a resident who is a member of the armed forces of the United States while on active duty. 35 ILCS § 5/203(a)(2)(E). Compensation received by any resident under any governmental retirement or disability plan is also deducted from gross income. 35 ILCS § 5/203(a)(2)(F).</p>	<p>Residents -- Subject to tax on federal adjusted gross income (above the exclusions under §§ 911-912 of the IRC).</p> <p>Non-residents and part year residents -- Subject to tax on all income attributable to certain activities within Illinois.</p> <p>Military personnel -- Illinois deducts from gross income any compensation paid to a resident who is a member of the armed forces while on active duty.</p> <p>Military retirees are not taxed on retirement or disability income.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Kansas	<p>Resident individuals and non-residents -- A“resident individual” is defined as a natural person who is domiciled in the state. A natural person who spends in the aggregate more than six months of the taxable year within the state is presumed to be a resident. Kan. Stat. Ann. § 79-32, 109(b).</p> <p>The term “non-resident” is defined as an individual other than a resident individual. Kan. Stat. Ann. § 79-32, 109(b).</p> <p>The Kansas tax regulations state that voting is <i>prima facie</i> evidence of domicile in Kansas. Kan. Tax Reg. 92-12-4.</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The taxable income of a resident individual defined as such individual's federal adjusted gross income for the taxable year, with certain modifications not herein relevant. Kan. Stat. Ann. § 79-32, 110.</p> <p>(2) The taxable income of non-resident individuals defined as that portion of federal adjusted gross income derived from sources within Kansas. Kan. Stat. Ann. § 79-32, 110.</p> <p>Since Kansas computes its own taxable income from federal adjusted gross income, the exclusions under §§ 911-912 of the IRC for income from sources with the United States and the exclusion under § 112 of the IRC for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service are apparently adopted into the computation of Kansas taxable income.</p>	<p>Residents -- Subject to tax on federal adjusted gross income above the exclusions under §§ 911-912 of the IRC.</p> <p>Non-residents -- Subject to tax on that portion of federal adjusted gross income derived from sources within Kansas.</p> <p>Military personnel -- Subject to tax on military compensation with stated exclusions.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Kentucky	<p>Residents and non-residents -- The term “resident” is defined as an individual domiciled within the state or an individual who is not domiciled in the state, but maintains a place of abode in the state and spends in the aggregate more than 183 days of the taxable year within the state. Ky. Rev. Stat. § 141.010(17).</p> <p>The term “non-resident” is defined as any individual who is not a resident of the state. Ky. Rev. Stat. § 141.010(18). The Kentucky tax regulations specify that an individual who is permitted to file a federal income tax return as a non-resident citizen, and who immediately prior to residing in a foreign country was domiciled in Kentucky, is considered a Kentucky resident and must file a resident individual income tax return. Ky. Tax Reg. 103 KAR 17:010. See also, the following two opinions of the Kentucky Attorney General relating to this subject: Op. Atty. Gen. Ky. (July 12, 1939); Op. Atty. Gen. Ky. (May 12, 1960).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The entire net income of every resident individual defined as such individual's federal adjusted gross income with certain modifications not herein relevant. Ky. Rev. Stat. § 141.020(1).</p> <p>(2) That portion of federal adjusted gross income of non-residents derived from sources within Kentucky. Ky. Rev. Stat. § 141.020(4).</p> <p>Since Kentucky computes its own taxable income from federal adjusted gross income, the exclusions under §§ 911-912 of the IRC for income from sources without the United States and the exclusion under § 112 of the IRC for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service are apparently adopted into the computation of Kentucky taxable income. Ky. Rev. Stat. § 141.020.</p>	<p>Residents -- Subject to tax on federal adjusted gross income (above the exclusions under §§ 911-912 of the IRC).</p> <p>Non-residents -- Subject to tax on federal adjusted gross income derived from sources within Kentucky.</p> <p>Military personnel -- Subject to tax on military compensation with stated exclusions.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Louisiana	<p>Residents and non-residents -- The term "resident" is defined as every natural person domiciled in the state, and every other natural person who maintains a permanent place of abode within the state or who spends in the aggregate more than six months of the taxable year within the state. La. Rev. Stat. § 47-31.</p> <p>The Louisiana Tax Regulations state that domicile is a factual determination of intent to remain in or return to Louisiana. Examples in the Regulations indicate that an individual may spend large portions of his or her time outside of Louisiana without relinquishing domicile. La. Inc. Tax Regs. 31.2.</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>The entire federal adjusted gross income of resident individuals, with certain modifications not herein relevant. La. Rev. Stat. § 47-293.</p> <p>Since Louisiana computes its own taxable income from federal adjusted gross income, the exclusions under §§ 911-912 of the IRC for income from sources without the United States are apparently adopted into the computation of Louisiana taxable income. La. Rev. Stat. § 47-293(6).</p> <p>The net income of non-residents earned or derived from sources within the state. La. Rev. Stat. §§ 47-241, and 47-293(7).</p> <p>The gross income of military personnel does not include pensions or annuities for sickness incurred in the armed forces. La. Rev. Stat. § 47-46(4).</p> <p>Military pay of non-resident servicemen stationed within Louisiana is not taxable by Louisiana. See Soldiers' and Sailors' Relief Act, <i>supra</i>.</p>	<p>Residents -- Subject to tax on federal adjusted gross income above the exclusions under §§ 911-912 of the IRC.</p> <p>Non-residents -- Subject to tax on net income derived from sources within Louisiana.</p> <p>Resident military personnel -- Subject to tax on military compensation except for pensions or annuities for personal injuries or sickness incurred in the armed forces.</p> <p>Non-resident military personnel -- Subject to tax on non-military pay from sources within Louisiana.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Maryland	<p>Residents and non-residents -- The term “resident” is defined as any individual domiciled in the state on the last day of the taxable year, and every other individual who, for more than six months of the taxable year, maintains a place of abode within the state, whether domiciled in the state or not. Md. Tax & Rev. Code Ann. § 10-101(h).</p> <p>The term “non-resident” means an individual who is not a resident. Md. Tax & Rev. Code Ann. § 10-101(g).</p> <p>Evidence that a person has registered to vote in Maryland is ordinarily persuasive evidence that such person is domiciled in Maryland. <i>Comptroller of the Treasury v. Lenderking</i>, 268 Md. 613, 303 A.2d 402 (1973); <i>Roberts v. Lakin</i>, 340 Md. 147, 665 A.2d 1024 (1995).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The taxable net income of residents defined as federal adjusted gross income with certain modifications not herein relevant. Since Maryland defines its taxable net income in terms of federal adjusted gross income, the exclusions under §§ 911-912 of the IRC for income from sources without the United States are apparently adopted into Maryland taxable income. Md. Tax & Rev. Code Ann. §§ 10-206, 10-401.</p> <p>(2) The portion of a non-resident's federal adjusted gross income derived from sources within and without the state. Md. Tax & Rev. Code Ann. § 10-401.</p> <p>Since Maryland computes its own taxable income from federal adjusted gross income, the exclusion under § 112 of the IRC for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is apparently adopted into the computation of Maryland taxable income. Md. Tax & Rev. Code Ann. § 10-401</p>	<p>Residents -- Subject to tax on federal adjusted gross income above the exclusions under §§ 911-912 of the IRC.</p> <p>Non-residents -- Subject to tax on the portion of federal adjusted gross income derived from sources within Maryland.</p> <p>Military personnel -- Subject to tax on military compensation with stated exclusions.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Maryland (Continued)		<p>Military residents may deduct the first \$15,000 of military pay attributable to military service outside the United States. This deduction is reduced dollar-for-dollar for each dollar earned over \$15,000. Md. Tax & Rev. Code Ann. § 10-207(p).</p> <p>Military retirees with federal adjusted gross income under \$22,500 may deduct \$2,500 from taxable income subject to certain conditions. Md. Tax & Rev. Code Ann. 10-207(q).</p>	

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Michigan	<p>Residents and non-residents -- The term “resident” is defined as an individual domiciled in the state. “Domicile” is defined as the place where a person has his true, fixed, and permanent home and principal establishment to which, whenever absent therefrom, he intends to return, and domicile continues until another permanent establishment is established. If an individual lives in the state for at least 183 days during the taxable year or more than ½ the days during the taxable year of less than 12 months, he is deemed a resident individual domiciled in the state. Mich. Comp. L. Ann. § 206.18.</p> <p>Non-resident -- The term “non-resident” is defined as any individual who is not a resident. Mich. Comp. L. Ann. § 206.14.</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The taxable income of residents defined as taxable income for federal income tax purposes. However, Michigan generally taxes only income allocable to certain activities and sources within Michigan. Also, since Michigan defines its taxable income for federal income tax purposes, the exclusions for income earned without the United States under §§ 911-912 of the IRC would apply. Mich. Comp. L. Ann. §§ 206.30, 206.110.</p> <p>(2) The taxable income of non-residents to the extent allocable to sources within Michigan. Mich. Comp. L. Ann. §§ 206.51, 206.110.</p> <p>Michigan allows the deduction, to the extent included in federal adjusted gross income, of compensation, including retirement benefits, received for services in the armed forces of the United States. Mich. Comp. L. Ann. § 206.30(e).</p>	<p>Residents -- Subject to tax on federal adjusted gross income allocable to sources within Michigan above the exclusions of §§ 911-912 of the IRC.</p> <p>Non-residents -- Subject to tax on taxable income allocable to sources within Michigan.</p> <p>Military personnel -- Michigan does not tax military compensation or retirement income from service in the armed forces.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Minnesota	<p>Residents and non-residents -- The term “resident” is defined as an individual domiciled in the state or any individual maintaining a place of abode within the state and who spends over half of the tax year in Minnesota. An individual is not a resident for the period of time that the individual is qualified under § 911(d)(1) of the IRC. Minn. Stat. § 290.01(7).</p> <p>The Minnesota Tax Regulations state that voting in Minnesota is presumptive evidence of residence, but may be overcome by facts contrary to the presumption of residence. Minn. Tax. Reg. 1.6001;</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>The gross income of residents defined as federal adjusted gross income with certain modifications not herein relevant. Since Minnesota defines its gross income in terms of federal adjusted gross income, the exclusions under §§ 911-912 of the IRC for income from sources without the United States are apparently adopted into the computation of Minnesota gross income. Minn. Stat. §§ 290.01(19) <i>et seq.</i></p> <p>The net income of non-residents allocable to sources within Minnesota. Min. Stat. §§ 290.01(22)(2); 290.06(2c)(e).</p> <p>Since Minnesota computes its own taxable income from federal adjusted gross income, the exclusion under § 112 of the IRC for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is apparently adopted into computation of Minnesota taxable income. Minn. Stat. § 290.01</p>	<p>Residents -- Subject to tax on federal adjusted gross income above the exclusion under §§ 911-912 of the IRC.</p> <p>Non-residents -- Subject to tax on federal adjusted gross income allocable to sources within Minnesota.</p> <p>Military personnel -- Subject to tax on military compensation with stated exclusions.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Missouri	<p>Residents and non-residents -- The term “resident” is defined as an individual who is domiciled in this state, unless he (1) maintains no permanent place of abode in this state, (2) does maintain a permanent place of abode elsewhere, and (3) spends in the aggregate not more than thirty days of the taxable year in this state, or who is not domiciled in this state, but maintains a permanent place of abode in this state and spends the in the aggregate more than 183 days of the taxable year in this state. Mo. Stat. § 143.101.</p> <p>The term “non-resident” is defined as an individual who is not a resident of this state. Mo. Stat. §. 143.101.</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>The Missouri taxable income of residents calculated on the basis of federal adjusted gross income with modifications. Since Missouri computes its taxable income from federal adjusted gross income, the exclusions under §§ 911-912 of the IRC for income from sources without the United States are apparently adopted into the computation of Missouri taxable income. Mo. Stat. § 143.121.</p> <p>The income of non-residents derived from sources within Missouri. Mo. Stat. § 143.181(1).</p> <p>Since Missouri computes its own taxable income from federal adjusted gross income, the exclusion under § 112 of the IRC for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is apparently adopted into computation of Missouri taxable income. Mo. Stat. § 143.121</p>	<p>Residents -- Subject to tax on Missouri taxable income, which excludes income from sources without the United States in the same manner as §§ 911-912 of the IRC.</p> <p>Non-residents -- Subject to tax on income derived from sources within Missouri.</p> <p>Military personnel -- Subject to tax on payments for service in the armed services with stated exclusions.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Nebraska	<p>Residents and non-residents -- The term “resident” is defined as an individual who is domiciled in the state or who maintains a permanent place of abode within the state and spends in the aggregate more than six months of the taxable year within the state. Neb. Rev. Stat. § 77-2714.01(7).</p> <p>The term “non-resident” is defined as an individual who is not a resident of this state. Neb. Rev. Stat. § 77-2714.01(4).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The entire taxable income of residents defined as federal taxable income with certain modifications not herein relevant. Neb. Rev. Stat. § 77-2716. Since Nebraska computes its tax base in terms of federal adjusted gross income, the exclusions under §§ 911-912 of the IRC are apparently adopted.</p> <p>(2) The federal adjusted gross income of non-residents derived from sources within Nebraska. Neb. Rev. Stat. § 77-2733.</p> <p>The federal exclusion under § 112 of the IRC for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is adopted specifically into the computation of Nebraska taxable income. Neb. Rev. Stat. § 77-27,123.</p>	<p>Residents -- Subject to tax on federal adjusted gross income above the exclusions under §§ 911-912 of the IRC.</p> <p>Non-residents -- Subject to tax on federal adjusted gross income derived from sources within Nebraska.</p> <p>Military personnel -- Subject to tax on military compensation with stated exclusions.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
New York	<p>Residents and non-residents -- The term “resident” is defined as: (1) an individual who is domiciled in the state unless he maintains no permanent place of abode in the state and spends not over 30 days of the taxable year within the state, or he is present in a foreign country for at least 450 days of a 548 day period, and during such 548 day period he is not in the state for more than 90 days and does not maintain a permanent place of abode in the state where his spouse or minor children are present for 90 days or more, and other conditions, or (2) an individual who is not domiciled in the state, but maintains a permanent place of abode within the state and spends in the aggregate more than 183 days of the taxable year within the state, unless such individual is in active service in the armed forces of the United States. N.Y. Tax Law § 605(b)(1).</p> <p>The term “non-resident” is defined as an individual who is not a resident. N.Y. Tax Law § 605(b)(2).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The adjusted gross income of residents is defined as federal adjusted gross income with certain modifications not herein relevant. Since New York defines its own adjusted gross income in terms of federal adjusted gross income, the exclusions for income earned from sources without the United States are apparently adopted into the computation of New York adjusted gross income. N.Y. Tax Law. § 612.</p> <p>(2) The federal adjusted gross income of non-residents derived from sources within New York. N.Y. Tax Law § 631.</p> <p>Military compensation of one not domiciled in New York is not to be considered income derived from New York sources. N.Y. Tax Law § 631(e).</p> <p>Since New York computes its own taxable income from federal adjusted gross income, the exclusion under § 112 of the IRC for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is apparently adopted into the computation of New York taxable</p>	<p>Residents -- Subject to tax on federal adjusted gross income above the exclusion under §§ 911-912 of the IRC.</p> <p>Non-residents -- Subject to tax on federal adjusted gross income derived from sources within New York.</p> <p>Military personnel -- Subject to tax on military compensation with stated exclusions.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
North Dakota	<p>Residents and non-residents -- The term “resident” is defined as any natural person domiciled in the state and any other natural person who maintains a permanent place of abode within the State and spends in the aggregate more than seven months of the income year within the state. A full-time active duty member of the armed forces assigned to a military installation in this state, or the spouse of such a person, is not a resident simply by reason of voting in an election in the state. N.D. Code § 57-38-01(6).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The taxable income of residents defined in terms of federal taxable income with certain modifications not herein relevant. Since North Dakota defines its own taxable income in terms of federal taxable income, the exclusions under §§ 911-912 of the IRC for income from sources without the United States are apparently adopted into the computation of North Dakota taxable income. N.D. Code § 57-38-01.2.</p> <p>Taxable income is reduced by: (a) an amount up to \$1,000, received as payment for services performed while on active duty in the armed forces of the United States, as payment for attending military meetings as a member of the National Guard, or of a reserve unit; and (b) any amount up to \$5,000 received by any person fifty years or older as retired military pay for service in the United States armed forces or reserve components thereof, reduced by any amount received pursuant to the Federal Social Security Act. N.D. Code § 57-38-01.2(1).</p> <p>The net income of non-residents derived from sources within North Dakota. N.D. Code § 57-38-03.</p>	<p>Residents -- Subject to tax on federal taxable income above the exclusions under §§ 911-912 of the IRC.</p> <p>Non-resident -- Subject to tax on net income from sources within North Dakota.</p> <p>Military personnel -- Taxable income is reduced by: (a) any amount up to \$1,000, received by any person as payment for services performed while on active duty in the armed forces of the United States, or as payment for attending military meetings as a member of the National Guard, or of a reserve unit; and (b) any amount up to \$5,000 received by any person fifty years or older as retired military pay for service in the United States armed forces or reserve components thereof, reduced by any amount received pursuant to the Federal Social Security Act.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
<p>North Dakota (Continued)</p>		<p>Also, persons serving in the armed forces, except field grade and general officers who are stationed outside of any state or the District of Columbia for not less than thirty days during the tax year, shall be allowed an additional reduction of up to \$300 per month for services performed while on active duty at such location. N.D. Code § 57-38-01.2(1)(k);.</p>	<p>Also, persons serving in the armed forces, except field grade and general officers, who are stationed outside of any state or the District of Columbia for not less than thirty days during the taxable year, shall be allowed an additional reduction of up to \$300 per month for services performed while on active duty at each location.</p>
<p>Ohio</p>	<p>Residents and non-residents -- The term “resident” is defined as an individual who is domiciled in this state. Ohio Code tit. 57 § 5747.01(I). One is presumed domiciled in the state if one spent over 183 nights in the state during 12 consecutive months. One is presumed not domiciled if one spent less than 120 nights in the state during 12 consecutive months.. Ohio Code tit. 57 § 5747.24.</p> <p>The term “non-resident” is defined as an individual who is not a resident. Ohio Code tit. 57 § 5747.01(J).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>The adjusted gross income of residents defined as federal adjusted gross income with certain modifications not herein relevant. Since Ohio defines its own adjusted gross income in terms of federal adjusted gross income, the exclusions under §§ 911-912 of the IRC for income from sources without the United States are apparently adopted into the computation of Ohio adjusted gross income. Ohio Code tit. 57 § 5747.01(A).</p>	<p>Residents -- Subject to tax on federal adjusted gross income above the exclusions under §§ 911-912 of the IRC.</p> <p>Non-residents -- Subject to tax on adjusted gross income derived from sources within Ohio.</p> <p>Military personnel -- Subject to tax on military compensation with stated exclusions.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
<p>Ohio (Continued)</p>		<p>The adjusted gross income on non-residents derived from sources within Ohio. Ohio Code tit. 57 § 5747.01.</p> <p>The federal exclusion under § 112 of the IRC for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is adopted specifically into the computation of Ohio taxable income. Ohio Code tit. 57 § 5747.02.4.</p>	
<p>Oklahoma</p>	<p>Residents and non-residents -- The term “resident” is defined as any individual who is domiciled in the state. Any individual who spends in the aggregate more than seven months of the taxable year within the state shall be presumed a resident. Okla. Stat. tit. 68 § 2353(4).</p>	<p>(1) The taxable income of residents defined on the basis of federal adjusted gross income with certain modifications not herein relevant. Since Oklahoma bases its taxable income on federal adjusted gross income, the exclusions under §§ 911-912 of the IRC for income from sources without the United States are apparently adopted into the computation of Oklahoma taxable income. Okla. Stat. tit. 68 §§ 2353(3), 2355.</p>	<p>Residents -- Subject to tax on taxable income above the exclusions under §§ 911-912 of the IRC.</p> <p>Non-residents -- Subject to tax on taxable income derived from sources within Oklahoma.</p> <p>Military personnel -- Subject to tax on military compensation above the first \$1,500.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Oklahoma (Continued)	<p>The term “non-resident individual” is defined as an individual, other than a resident individual with special provisions for foreign earned income. Okla. Stat. tit. 68 § 2353(4).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(2) The federal adjusted gross income of non-residents derived from sources within Oklahoma. Okla. Stat. tit. 68 § 2362.</p> <p>(3) In any taxable year the first \$1,500 received by any person from the United States as salary or compensation in any form (other than a pension) as a member of any component of the armed forces of the United States shall be deducted from taxable income. Okla. Stat. tit. 68 § 2358(D)(5).</p>	

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
R h o d e I s l a n d	<p>Residents and non-residents -- The term “resident” is defined to include both (1) domiciliaries, and (2) non-domiciliaries who maintain a permanent place of abode within the state and reside in the state for more than 183 days of the taxable year other than as a member of the armed forces of the United States. R.I. Gen. Laws § 44-30-5(a).</p> <p>The term non-resident is defined as an individual who is not a resident. R.I. Gen. Laws § 44-30-5(b).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The Rhode Island income of residents is defined as federal adjusted gross income with certain modifications not herein relevant. Since Rhode Island defines its own taxable income in terms of federal adjusted gross income, the exclusions under §§ 911-912 of the IRC are apparently adopted into the computation of Rhode Island taxable income. R.I. Gen. Laws § 44-30-12(a).</p> <p>(2) The taxable income on non-residents derived from sources within Rhode Island. R.I. Gen. Laws § 44-30-32(a).</p> <p>Since Rhode Island computes its own taxable income from federal adjusted gross income, the exclusions under § 112 of the IRC for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is apparently adopted into the computation of Rhode Island taxable income. R.I. Gen. Laws § 44-30-12.</p>	<p>Residents -- Subject to tax on taxable income above the exclusions under §§ 911-912 of the IRC.</p> <p>Non-residents -- Subject to tax on taxable income derived from sources within Rhode Island.</p> <p>Military personnel -- Subject to tax on military compensation with stated exclusions.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
South Carolina	Resident and non-resident -- The term “resident” means any individual who is domiciled in the state. The term “non-resident” means an individual other than a resident or part year resident. S.C. Code § 12-6-30(2).	Resident - the entire taxable income on the basis of federal adjusted gross income with certain modifications, S.C. Code § 12-6-560. No exclusion under § 912 is allowed. S.C. Code § 12-6-1120(5). Non-resident - subject to tax on property owned or business carried on in South Carolina. S.C. Code § 12-6-1720. Retirees may deduct up to \$3,000 of retirement income that is taxable by South Carolina or irrevocably choose to defer annual retirement income deduction until the year the taxpayer reaches sixty-five years of age. S.C. Code § 12-6-1170(1). Since South Carolina computes its own taxable income from federal adjusted gross income, the exclusions under § 112 of the IRC for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is apparently adopted into the computation of South Carolina taxable income. S.C. Code § 12-6-560.	Residents -- Subject to tax on taxable income above the exclusion under § 911 of the IRC. Non-residents -- Subject to tax on taxable income derived from sources within South Carolina. Military personnel -- Subject to tax on military compensation with stated exclusions.

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Utah	<p>Residents and non-residents -- The term “resident” is defined to include domiciliaries, and individuals not domiciled in the state and residing within the state in the aggregate for over 183 days of the taxable year. Utah Code § 59-10-103(j).</p> <p>The term non-resident is defined as an individual who is not a resident of the state. Utah Code § 59-10-103(g).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The taxable income of residents is defined in terms of federal taxable income with certain modifications not herein relevant. Since Utah defines its own taxable income in terms of federal taxable income, the exclusions under §§ 911-912 of the IRC for income from sources without the United States are apparently adopted into Utah taxable income. Utah Code §§ 59-10-104 & 112.</p> <p>Since Utah computes its own taxable income from federal taxable income, the exclusion under § 112 of the IRC for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is apparently adopted into the computation of Utah taxable income. Utah Code §§ 59-10-104 & 116.</p>	<p>Residents -- Subject to tax on taxable income above the exclusions under §§ 911-912 of the IRC.</p> <p>Non-residents -- Subject to tax on taxable income derived from sources within Utah.</p> <p>Military personnel -- Subject to tax on military pay with stated exclusions.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Vermont	<p>Residents -- The term "resident" is defined to include both (1) domiciliaries, and (2) non-domiciliaries who maintain a permanent place of abode within the state and reside within the state for more than 183 days of the taxable year. Vt. Stat. tit. 32 § 5811(11)(A)(i), (ii).</p> <p>Non-resident -- anyone not a resident. Vt. Stat. tit. 32 § 5811(9).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The adjusted gross income of residents is defined as federal adjusted gross income. Since Vermont defines its adjusted gross income in terms of federal adjusted gross income, the exclusions under §§ 911-912 of the IRC for income from sources without the United States are apparently adopted into the computation of Vermont adjusted gross income. Vt. Stat. tit. 32, §§ 5811(1), 5822, 5823.</p> <p>(2) The adjusted gross income of non-residents derived from sources within Vermont. Vt. Stat. tit. 32, § 5823.</p> <p>(3) Adjusted gross income does not include military pay for full-time active duty with the armed services outside of the state. Vt. Stat. tit. 32 § 5823(a)(2).</p>	<p>Residents -- Subject to tax on federal adjusted gross income above the exclusions under §§ 911-912 of the IRC.</p> <p>Non-residents -- Subject to tax on federal adjusted gross income derived from sources within Vermont.</p> <p>Military personnel -- Not subject to tax on military pay for full-time active duty service performed outside of the state.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Virginia	<p>Residents and non-residents -- The term “resident” is defined as an individual domiciled in the Commonwealth and a person who maintains an abode in the state for more than 183 days of the taxable year. Va. Code § 58.1-302.</p> <p>Persons in the armed forces of the United States stationed on military or naval reservations within Virginia who are not domiciled in Virginia and who maintain no place of abode in Virginia shall not be held liable to income taxation for compensation received from military or naval service. Va. Code § 58.1-321(B).</p>	<p>(1) The taxable income of residents defined in terms of federal adjusted gross income with certain modifications not herein relevant. Since Virginia defines its taxable income in terms of federal adjusted gross income, the exclusion under §§ 911-912 of the IRC are apparently adopted into the computation of Virginia taxable income. The first \$15,000 of military pay is excluded from income, with a dollar for dollar reduction in the exclusion for income over \$15,000. Va. Code § 58-1-322.</p> <p>(2) The taxable income of non-residents derived from sources within the state. Va. Code § 58-1-325.</p> <p>The federal exclusion under § 112 of the IRC for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is specifically adopted into the computation of Virginia taxable income. Va. Code § 58-1-322.</p> <p>Virginia grants a tax credit for taxes paid to a foreign country on retirement income. Va. Code § 58-1-332.1.</p>	<p>Residents -- Subject to tax on federal adjusted gross income above the exclusion under §§ 911-912 of the IRC.</p> <p>Non-residents -- Subject to tax on taxable income derived from sources within the state.</p> <p>Military personnel -- Subject to tax on military pay with stated exclusions.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
West Virginia	<p>Residents and non-residents -- The term "resident" is defined to include: (1) domiciliaries, unless they maintain no permanent place of abode within the state, maintain a permanent place of abode outside the state, and spend not more than 30 days of the taxable year in the state, and (2) non-domiciliaries who maintain a permanent place of abode within the state and reside within the state for more than 183 days of the taxable year. W. Va. Code § 11-21-7(a).</p> <p>"Non-resident" is defined to mean an individual who is not a resident. W. Va. Code § 11-21-7(b).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The taxable income of residents defined in terms of federal adjusted gross income with modifications not herein relevant. Since West Virginia defines its own taxable income in terms of federal adjusted gross income, the exclusions under §§ 911-912 of the IRC for income from sources outside the United States are apparently incorporated into the definition of West Virginia taxable income. W. Va. Code §§ 11-21-11(a), 12.</p> <p>(2) The taxable income of non-residents derived from sources within West Virginia. W. Va. Code §§ 11-21-30, 32.</p> <p>Since West Virginia computes its own taxable income from federal adjusted gross income, the exclusion under Section § 112 of the IRC for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is apparently adopted into computation of West Virginia taxable income. W. Va. Code § 11-21-11</p>	<p>Residents -- Subject to tax on taxable income above the exclusions under 911-912 of the IRC.</p> <p>Non-residents -- Subject to tax on taxable income derived from sources within West Virginia.</p> <p>Military personnel -- Subject to tax on such compensation with stated exclusions.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Wisconsin	<p>Residents and non-residents -- The term "resident" is defined as a domiciliary. Wis. Stat. § 71.02(1).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The taxable income of residents defined in terms of federal adjusted gross income with certain modifications not herein relevant. Since Wisconsin defines its own taxable income in terms of federal adjusted gross income, the exclusions under §§ 911-912 of the IRC for income from sources without the United States are apparently adopted into the computation of Wisconsin taxable income. Wis. Stat. §§ 71.01(13) & 71.05.</p> <p>(2) The taxable income of non-residents derived from sources within Wisconsin. Wis. Stat. §§ 71.01 & 71.02. Non-residents domiciled without Wisconsin who derive income from performing personal services within Wisconsin shall be excluded from having to pay Wisconsin tax to the extent that the home domicile taxes the income. Wis. Stat. § 71.05(2).</p>	<p>Residents -- Subject to tax on taxable income above the exclusions under §§ 911-912 of the IRC.</p> <p>Non-residents -- Subject to tax on taxable income derived from sources within Wisconsin.</p> <p>Military personnel -- Subject to tax on military compensation with stated exemption.</p>

STATE	INCOME TAX COVERAGE	TAX BASE	PROBABLE TAX OBLIGATION
Wisconsin (Continued)			Since Wisconsin computes its own taxable income from federal adjusted gross income, the exclusion under § 112 of the IRC for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is apparently adopted into computation of Wisconsin taxable income. Wis. Stat. § 71.05.

IV. States Having No Income Tax

STATES: **Alaska**

Florida

Nevada

South Dakota

Texas

Washington

Wyoming
