

Armed Forces Gross Income

Members of the Armed Forces receive many different types of pay and allowances. Some are included in gross income while others are excluded from gross income. **Table 1** lists included items that are subject to tax and must be reported on your tax return. **Table 2** lists excluded items that are not subject to tax, but may have to be shown on your tax return. See Publication 3, Armed Forces' Tax Guide, for additional information.

To determine taxability at the state level, check with your state's department of revenue.

Table 1—Included Items

These items are included in gross income, unless the pay is for service in a combat zone

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| Basic pay | <ul style="list-style-type: none"> Active duty Attendance at a designated service school Back wages Drills (Inactive Duty Training) Reserve training Training Duty | Special pay (cont.) | <ul style="list-style-type: none"> Hostile fire or imminent danger Medical and dental officers Nuclear-qualified officers Optometry Other Health Professional Special Pay (for example, nurse, physician assistant, social work, etc.) Pharmacy Special compensation for assistance with activities of daily living (SCAADL) Special duty assignment pay Veterinarian Voluntary Separation Incentive | Incentive pay | <ul style="list-style-type: none"> Submarine Flight Hazardous duty High altitude/Low altitude (HALO) |
| | | | | Other pay | <ul style="list-style-type: none"> Accrued leave CONUS COLA High deployment per diem Personal money allowances paid to high ranking officers Student loan repayment from programs such as the Department of Defense Educational Loan Repayment Program when year's service (requirement) isn't attributable to a combat zone |
| Special pay | <ul style="list-style-type: none"> Aviation career incentives Career sea Diving duty Foreign duty (outside the 48 contiguous states and the District of Columbia) Foreign language proficiency Hardship duty | Bonus pay | <ul style="list-style-type: none"> Career status Continuation pay Enlistment Officer Overseas extension Reenlistment | In-kind military benefits | <ul style="list-style-type: none"> Personal use of government-provided vehicle |

Table 2—Excluded Items

The exclusion for certain items applies whether the item is furnished in-kind or is a reimbursement or allowance. There is no exclusion for the personal use of a government-provided vehicle.

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| Combat zone and qualified hazardous duty area pay | <ul style="list-style-type: none"> Compensation for active service while in a combat zone Note: Limited amount for commissioned officers Leave earned or accrued while performing service in a combat zone | Family allowances | <ul style="list-style-type: none"> Certain educational expenses for dependents Emergencies Evacuation to a place of safety Separation | Travel allowances | <ul style="list-style-type: none"> Annual round trip for dependent students Leave between consecutive overseas tours Reassignment in a dependent restricted status Transportation for you or your dependents during ship overhaul or inactivation Per diem |
| Other pay | <ul style="list-style-type: none"> Certain amounts received under Armed Force Health Professions Scholarship and Financial Assistance Program payments Disability, including payments received for injuries incurred as a direct result of a terrorist or military action Disability severance payments Group-term life insurance Professional education ROTC educational and subsistence allowances State bonus pay for service in a combat zone Survivor and retirement protection plan premiums Uniform allowances Uniforms furnished to enlisted personnel Certain loan payments made by an employer after March 27, 2020, and before January 1, 2026, of principal or interest on certain qualified education loans. | Living allowances | <ul style="list-style-type: none"> BAH (Basic Allowance for Housing) BAS (Basic Allowance for Subsistence) Housing and cost-of-living allowances abroad paid by the U.S. Government or by a foreign government OHA (Overseas Housing Allowance) | In-kind military benefits | <ul style="list-style-type: none"> Dependent-care assistance program Defense Counsel Services Legal assistance Medical/dental care Commissary/exchange discounts Space-available travel on government aircraft Uniforms furnished to enlisted personnel |
| Death allowances | <ul style="list-style-type: none"> Burial services Death gratuity payments to eligible survivors Travel of dependents to burial site | Moving allowances | <ul style="list-style-type: none"> Dislocation Military base realignment and closure benefit (the exclusion is limited as described above) Move-in housing Move household and personal items Moving trailers or mobile homes Storage Temporary lodging and temporary lodging expenses | | |