

HEADQUARTERS
UNITED STATES EUROPEAN COMMAND
UNIT 30400
APO AE, 09131-0400

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PERSONNEL

Combat Zone Tax Exclusion (CZTE) Policy and Determining Eligibility for CZTE for Duties
Performed at Incirlik AB, Turkey

1. Summary. This directive establishes HQ USEUCOM policy and procedures for determining eligibility for Combat Zone Tax Exclusion for members assigned or TDY to Incirlik AB, Turkey in support of combat operations within declared combat zones.

2. Applicability. This directive applies to all HQ USEUCOM, assigned and attached forces, as well as defense agencies that have personnel assigned to, or TDY to Incirlik AB, Turkey.

3. Internal Control Systems. This directive does not contain internal control provisions and is not subject to the requirements of the Internal Management Control Program. For HQ USEUCOM and subordinate joint activities, the applicable internal control directive is ED 50-8, Internal Management Control Program.

4. Suggested Improvements. The proponent of this directive is Quality of Life Division, Manpower, Personnel and Administration Directorate. Suggested improvements should be forwarded to HQ USEUCOM/ECJ1-QB, Unit 30400, APO AE 09131-0400.

5. References.

- a. 26 U.S.C. Section 112, Internal Revenue Code/Combat Zone Tax Exclusion
- b. 26 C.F.R. Section 1.112-1(e), Treasury Regulation/Combat Zone Tax Exclusion Based on Direct Support
- c. 37 U.S.C. Section 310, Special Pay: Duty Subject to Hostile Fire or Imminent Danger
- d. DoDI 1340.98, Special Pay for Duty Subject to Hostile Fire or Imminent Danger
- e. DoDD 7000.14-R/DoD Financial Management Regulation (DoDFMR)/Volume 7A, Chapter 10, Special Pay: Duty Subject to Hostile Fire or Imminent Danger
- f. DoDD 7000.13-R/DoD Financial Management Regulation (DoDFMR)/Volume 7A, Chapter 44, Withholding Income Tax

6. Explanation of Terms:

a. Combat Zone (CZ): any area the President of the United States designates by Executive Order as an area in which the U.S. Armed Forces are engaging or have engaged in combat. An area usually becomes a combat zone and ceases to be a combat zone on the dates the President designates by Executive Order.

b. Qualified Hazardous Duty Area (QHDA): an area established by legislation where the armed forces of the United States are or have been engaged in activities deemed by Congress to entitle them to tax benefits in the same manner as if such services were performed in a combat zone.

c. Combat Zone Treatment: a member of the armed forces who performs military service in an area outside the combat zone is deemed to serve in that combat zone if

(1) the member's service is in direct support of military operations in that zone and

(2) the service qualifies the member for the special pay for duty subject to hostile fire or imminent danger pay (IDP) and

(3) the reason for paying imminent danger/hostile fire pay is related to activities or circumstances in the CZ/QHDA.

d. Direct Support: service is in direct support of military operations in a combat zone if it has the effect of maintaining, upholding, or providing assistance for those involved in military operations in a combat zone, and the service member is authorized imminent danger related to activities in the combat zone. To be considered in direct support of operations in a combat zone, units should

(1) be at the same installation launching missions into the combat zone; or

(2) have, as their primary mission, the requirement to meet only the needs of units operating in the combat zone; or

(3) have, as their primary mission, augmenting of units operating in the combat zone.

e. Not in Direct Support: Duties not in direct support, and therefore not eligible for combat zone benefits, are those duties which provide general support services to units, which have, as their primary mission, support of the forces assigned to the region or country which may, at times, provide incidental support to combat zone operations. (See para. 8c (1-4) for examples of general support.)

7. Responsibilities.

a. USEUCOM Deputy Commander. Designate, by message, those units assigned or deployed to installations outside the designated Iraqi combat zone that are in direct support of combat operations within those established combat zones.

b. ECJ1. Interpret statutes, policy and DoD directives and establish USEUCOM CZTE policy.

c. ECIG. Include CZTE eligibility as a special interest item for inspections of USEUCOM units/activities.

d. USEUCOM Component Commanders. Oversee the administration and implementation of this USEUCOM policy. Act as executive agent for tenant organizations at installations or bases for which they are responsible to answer questions.

e. Commander, Combined Task Force, Operation Northern Watch (ONW). Oversee the CZTE administration and policy for the members of CTF/ONW and assist unit commanders in determining eligibility for members deploying to Incirlik when not on USAF CED Orders.

f. Unit Commanders/TDY Orders Authorizing Officials. Determine if travelers are eligible for CZTE and brief them on their CZTE benefits before authorizing travel orders to Incirlik AB. Generally, any JOPES-directed deployment into Incirlik is in Direct Support. Unit Commanders and travel authorizing officials shall not certify CZTE or authorize orders stating in direct support of combat operations without ensuring CZTE benefits are in fact authorized in accordance with the guidelines outlined in this directive. Contact CTF/ONW if uncertain of eligibility. Place the following comment in the remarks section of travel orders:

“Unit Commander Certifies This TDY To Incirlik, Turkey Is In Direct Support of ONW Combat Operations Originating From Incirlik.”

8. General Policy.

a. Incirlik AB, Turkey is unique in that it is currently the only main operating base/garrison area (therefore also having a peace-time daily mission) outside a combat zone to be designated as in direct support of combat operations for CZTE purposes. In May 2001, the USEUCOM Deputy Commander clarified CZTE entitlement by declaring the 39th Fighter Wing and tenant units within the perimeter fence of Incirlik, units' deployed/ performing TDY Incirlik in direct support of Operation Northern Watch (ONW) as in direct support. On 22 Jan 02, the ASD (FMP) determined that personnel deployed to Incirlik Air Base, Turkey, in support of Operation Enduring Freedom (OEF), are entitled to combat zone tax benefits on the basis of their direct support of operations in the Afghanistan combat zone. Units and individuals continue to request clarification as to whether all TDY to Incirlik is in direct support, and thereby qualifying for CZTE benefits.

b. All USAF members deploying to Incirlik for CTF/ONW on USAF Contingency, Exercise, Deployment (CED) orders will be eligible for CZTE benefits. This is based upon the fact that CED orders can be generated only by taskings from higher headquarters through the Joint Operations Planning and Execution System (JOPES). For units/individuals not using CED orders to deploy/travel to Incirlik, the Unit Commander is the only authority to certify, using the guidance below, that members are in direct support of on going combat operations. CTF/ONW can assist the unit commander in determining eligibility. Typically, only units/individuals sent to Incirlik with advance CTF/ONW coordination will be eligible for CZTE benefits.

c. To help with the determination of what is considered in direct support vice supporting, the following examples are provided:

(1) Flying passengers/cargo to Incirlik AB. **Not direct support.** The mere act of flying someone who, in turn, provides direct support does not meet the criteria outlined above. At best, this is derivative support provided to the personnel who then provide direct support to combat operations. Likewise, flying cargo to Incirlik AB on regularly scheduled channel flights does not directly support military operations within the combat zone.

(2) Flying medical patients to Incirlik. **Not direct support.** As in the example above, there is indirect support provided to direct support personnel, but the medical flight itself does not qualify for direct support designation. This is bolstered by the fact that a regularly scheduled flight to Incirlik as well as other locations throughout the European theater is flown regardless of the presence of ONW patients.

(3) Staff Assistance/Inspection visits. **Not direct support.** When the staff assistance/inspection is performed for the 39th FW (or its tenant units), or has as its primary purpose to assist/inspect the 39th FW with adjunct assistance/inspection of like functions in CTF ONW or would have occurred regardless of the presence of ONW (runway inspections for instance), then certification of direct support is not warranted. However, staff assistance/ inspections to CTF ONW are within the definition of direct support. These are personnel actively performing duties specific to ONW and, if not for ONW the staff assistance/inspection would not be required.

(4) ONW orientation/mission briefings. **Not direct support.** The mere act of going to Incirlik AB to receive an ONW orientation or mission briefing, while beneficial to the member and potentially to the service as a whole, does not provide support to operations within the combat zone.

d. Units/personnel located outside Incirlik, must meet three criteria to be eligible for CZTE benefits outside a declared CZ.

(1) The units are performing missions directly supporting units conducting combat operations within the CZ,

(2) Members are receiving IDP, and

(3) The basis of that IDP is directly related to combat operations within the CZ.

e. Units/individuals receiving IDP based on risks unrelated to activities or circumstances in the CZ are not eligible for CZTE. The basis for receiving IDP must relate to activities or circumstances in the CZ. Therefore, individuals who believe they directly support ONW but do so from areas where IDP is based on other reasons (e.g., general threat of terrorism in Turkey) unrelated to activities or circumstances in the CZ are not eligible for CZ tax benefits.

f. Direct all questions concerning interpretation of the directive to HQ USEUCOM/ECJ1-QB.

FOR THE COMMANDER:

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