



Office of the Staff Judge Advocate
LEGAL SERVICES
I Corps (Fwd) and U.S. Army Japan

Newsletter

November - December 2008

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Tax Season Preparation

The end of the year is almost here and now is a good time to begin thinking about filing your 2008 taxes. While filing season does not begin until late January of 2009, using the time now to organize your records can save you headaches down the road.



You should start a file containing the following documents:

1. Social Security cards or ITIN numbers for everyone that will be claimed on your tax return;
2. Your W-2s from your employer (these should be available on the MyPay website in late January for military members),
3. Any interest, dividend, or other income reported on form 1099.
4. Records of child care costs,
5. Records of education cost, including Form 1098-T Tuition Statements from post-high school institutions,
6. Mortgage interest on any home that you own,
7. Rental property records, including interest on the property, and other expenses paid in the last year,
8. Records of contributions to IRAs,
9. Student Loan Interest Statements, and
10. Any other statements that you receive that document income or which may count as a deduction on your 2008 income taxes.

With a little bit of planning ahead, you can make your tax filing less stressful. As always, the Camp Zama Tax Center will be available to assist you in filing your federal and state income tax returns. During the tax season, simply call 263-1040 to set up an appointment or walk in to the tax center with your information.

Tax Credits

Tax credits can help you pay part of the cost of raising a family, going to college, saving for retirement, and getting daycare so you can work or go to school. Each year, many taxpayers overlook them, even though they often qualify for one or more of these credits.



Though both tax deductions and credits can save you money, they do it in different ways. A deduction lowers the income on which tax is figured, while a credit lowers the tax itself. Take time now to review your records and see if you qualify for one of these popular but often overlooked tax credits.

Earned Income Tax Credit (EITC)

The Earned Income Tax Credit (EITC) helps low- and moderate-income workers and working families. Working families with incomes below \$41,646 and childless workers with incomes under \$14,590 often qualify. Ordinarily, you must have earned income as an employee, independent contractor, farmer or business owner.

Child Tax Credit

If you have a dependent child under age 17 you probably qualify for the child tax credit. This credit, which can be as much as \$1,000 per eligible child, is in addition to the regular \$3,500 exemption you can claim for each dependent. Don't confuse the child tax credit with the child care credit.

Education Credits

The Hope credit and the lifetime learning credit help parents and students pay for post-secondary education. Normally, you can claim tuition and required enrollment fees paid for your own, as well as your dependents' college education. The Hope credit targets the first two years of post-secondary education, and an eligible student must be enrolled at least half time. You can take the lifetime learning credit, even if you're only taking one course.

Saver's Credit

The saver's credit helps low-and moderate-income workers save for retirement. You probably qualify if your income is below certain limits and you contribute to an IRA or workplace retirement plan, such as a 401(k). Income limits for 2008 are \$26,500 for singles and married filing separately, \$39,750 for heads of household and \$53,000 for joint filers.

Tax Credits are a great way to save money on your return. Review your records now to see if you qualify and make sure you ask your tax preparer if you qualify to receive these benefits. Properly claiming tax credits can go a long way to reducing your tax burden.

Power Surges

Uninterrupted power supply to government quarters is not a guarantee. Storms, power surges, and power outages are not unusual occurrences, and damage caused by such incidents is normally not payable through the Claims Office. Claims that electrical or electronic devices were damaged by a power surge may be paid when lightning actually strikes the claimant's residence or objects directly attached to it, such as the transformer box, or when Department of Public Works records or similar evidence showed that a particular residence or small group of residences were subjected to a very unusual power surge.

Claims that electronic or electronic devices were damaged by a power outage, generalized power surges, "brown-outs" or other fluctuations in power are not compensable.



Claims that food was spoiled by a power outage may be considered if the outage is of unusual duration and the claimant was unable to take mitigating measures.

Since most of these claims will not be payable, you should protect electronic devices by using surge protectors of adequate capacity and of the proper type to protect your electrical equipment. You should also be aware that many destructive surges are carried through telephone lines (i.e. modems). Devices that include telephone line surge protection are available. The better surge protector manufacturers often provide "insurance" against damage. You should also consider insurance coverage if you own expensive electronic equipment.

Each claim is different; this summary provides general information only. For more information, please contact the Camp Zama Claims Office.

For questions or assistance, please visit the Camp Zama Legal Assistance Office in Building 101, Room CE209 or call DSN: 263-4698.