



The Navajo Nation Office of the President and Vice President

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Navajo veterans urged to submit claims to recover Arizona income taxes

WINDOW ROCK – Navajo Nation President Jonathan Nez and Vice President Myron Lizer are urging Navajo veterans to submit claims to the state of Arizona to recover income taxes that were unlawfully withheld on military wages for certain periods of time, in violation of the Soldiers and Sailors Civil Relief Act (SSCRA), which was passed by congress in 1940 to prohibit states from taxing the income of military service members. The deadline for eligible veterans to submit a claim is Dec. 31, 2019.

“Veterans sacrificed for our country and for our people, but for some periods of time certain states were unlawfully taxing their military income so we want to remind our veterans that there is this opportunity to recoup those taxes before the end of this year,” stated President Nez.

On Nov. 22, 2000, the U.S. Justice Department issued a declared that the taxation and withholding of state income taxes from active duty military pay of Native Americans residing on reservations was impermissible. The U.S. Department of Defense began mandatory Arizona income tax withholding on all active duty military pay on Sept. 1, 1993 and continued withholding Arizona income tax through Dec. 31, 2005. Beginning Jan. 1, 2006, Arizona no longer taxed active duty military pay and therefore discontinued state income tax withholding on this type of income.

The Native American Veterans Income Tax Settlement Fund was established in Arizona on July 1, 2016 to refund income tax erroneously withheld from Native Americans who served in the military while claiming tribal land as their residence from Sept. 1, 1993 through Dec. 31, 2005. During the 2017 Arizona legislative session House Bill 2158 was introduced to amend the original legislation when it was discovered the Department of Defense may have withheld Arizona income tax prior to Sept. 1, 1993.

“We certainly encourage our veterans to look into whether they are eligible and to take back what is rightfully theirs in terms of taxes that were wrongfully taken from them over a period of time,” said Vice President Lizer.

For more information on Arizona's Native American Veterans Income Tax Settlement Fund and to download application forms, please visit: <https://azdor.gov/individual-income-tax-information/native-american-veteran-income-tax-settlement> or call the Arizona Department of Veterans Services at (602) 234-8432.

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