

7 Jan 2010

Message sent by Teresa Anahuy on behalf of E. Keith Colston, Administrator, Maryland Commission on Indian Affairs,

Greetings,

Please pass this message on to the Veterans in Maryland.

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State (of New Mexico) works to fix tax snafu with tribal vets By Alysa Landry - Dec. 11, 2009

SHIPROCK - Thousands of American Indian veterans will receive long-overdue reimbursements of tax dollars unlawfully withheld from their military paychecks following an announcement Thursday that the application process has begun.

An estimated 9,000 American Indian veterans live in the state, and those who can prove state income tax was unjustly withheld from their military paychecks can collect a piece of the settlement fund.

Checks should begin arriving by early next year, Rick Homans, secretary for the New Mexico Taxation and Revenue Department, told a group of veterans Thursday in Shiprock. The application process was streamlined, and Homans personally accepted applications from veterans who had all the correct paperwork.

"Anywhere we can make the process easier and simpler, we'll do it," he said. "From the time you submit the application, it should take up to 90 days before the settlement check comes."

Veterans crowded inside the lobby at the Shiprock Chapter House to witness the kick-off of the Native American Veterans' Income Tax Settlement Fund. Most of the veterans wore ball caps, jackets or patches identifying them by the branch of the military in which they served.

The fund, into which state legislators dropped \$1 million, was created last year to reimburse veterans whose primary addresses were on tribal land during the time of their military service and whose military income was unjustly taxed by the state. Once the fund is depleted, lawmakers will need to vote to appropriate more money.

The \$1 million appropriation, sponsored by Sen. Lynda Lovejoy, comes as the state faces its biggest budget crisis in history, Homans said.

That the funding exists to jumpstart the settlement, which is expected to total close to \$2 million, is a testament to how the Legislature feels about veterans, he said.

"Individuals who honorably served the country in active military duty, you deserve our praise," Homans said. "I want to make sure that any project like this where people feel they have been grieved (gets funded)... This is the beginning of the process of hopefully healing the wound. Our role is to roll out the red carpet for you."

Howard Harvey, 64, was one of the first veterans in line for the application process. He carried a bundle of military documents in a folder tucked under his arm.

"I have no idea how much taxes were taken out," he said. "It's been a long wait, a long process."

Harvey served in the Army in Vietnam from 1968-1971. If he qualifies for a payment, it will be from income more than four decades old.

"I did not realize at the time that I had to fill out forms," he said.

"I just went into the service and didn't think about the politics until a few people came forward and said there was something here, that the government had done something wrong."

Applications are filed with the state Department of Veterans' Services.

The federal Department of Defense is assisting by providing documents necessary to prove income and taxes, Homans said. Veterans seeking settlement dollars will not have to go through the tribal government.

State Rep. Ray Begaye, D-Shiprock, also helped propel the bill and appropriation forward. He said Thursday the credit goes to veterans who researched the laws and lobbied support of a settlement.

"It's a huge relief," Begaye said of the settlement, which Gov. Bill Richardson signed into law last year. "I think we're seeing justice. I think we're seeing the Legislature at work."

Taxes likely were withheld because of an omission in paperwork. The Taxation and Revenue Department failed to provide instructions for income tax withholding or documents to declare exemption, an omission that affected American Indian veterans serving between 1977 and 2004.

Federal law was amended in 1976 to require the Department of Defense to withhold state income taxes from military pay. New Mexico entered into the agreement in July 1977, but American Indians who live on tribal lands are exempt.

The state developed an exemption certificate in 2002 and a year later provided employers with instructions for W-4 forms. However, a three-year statute of limitations prohibited veterans from filing for refunds.

Although tax officials believe veterans serving prior to 1977 were not unjustly taxed, they invited anyone who suspects they qualify for a payment to fill out an application.

"We're not making any judgments," Homans said. "Anyone with a claim who fills out an application, if the data from the Department of Defense backs it up, you get a settlement check."

For more information or for an application, visit [www.dvs.state.nm.us](http://www.dvs.state.nm.us)  
<<http://click.bsftransmit1.com/ClickThru.aspx?pubids=447%7c722%7c6407&digest=ffyGq40SIkxTpXEXWVak4A>> <<http://www.dvs.state.nm.us/>  
<<http://click.bsftransmit1.com/ClickThru.aspx?pubids=447%7c723%7c6407&digest=9DuEGatX3aThUxWNHOzFhA>> and click on the link for the Native American Veterans' Income Tax Settlement

[http://www.daily-times.com/farmington-news/ci\\_13974413?source=rss](http://www.daily-times.com/farmington-news/ci_13974413?source=rss)  
<<http://click.bsftransmit1.com/ClickThru.aspx?pubids=447%7c724%7c6407&digest=jPAMiiXwaZF0vSktji%2fsaA>>.

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I know this is still not covering our Veterans who were wrongly taxed starting in 1940. This may be a start, or they may never honor them at all. It's a work in motion. Please do all you can to help our Veterans prior to service in 1961 to get back the illegal taxes withheld while they were serving this country.

Thank you to all our Veterans & many blessings to all.

If anyone knows of more contacts to help see this thru, please let us know!

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