



Department of Veterans Affairs and Taxation and Revenue Department

Native American Veteran Income Tax
Settlement Fund Update

Background for Legislation

- Stipulated Decision and Order on Felipe vs TRD endorsed on April 30, 2007
 - Eleven valid claimants for refund of income tax withheld from their military pay
 - Judge Hall ordered \$28,040.24 be paid to the claimants

Summary of SB574

- SB 574 requires the Secretary of Veterans Affairs in cooperation with the Taxation and Revenue Department to:
 - “Determine whether Native American veterans who were domiciled on tribal lands during the period of their active military duty had state personal income taxes withheld from their pay
 - and if so, to determine the amount of state personal income taxes improperly withheld
 - and the number and identity of Native American veterans or their survivors affected by the improper withholding of state personal income taxes.”

Summarization of SB574 cont.

- SB 574 also created, but did not fund, the Income Tax Settlement Fund, which would be used to make settlement payments to Native American veterans who had state income taxes improperly withheld

Data from TRD

- State Personal Income Tax was enacted in 1919, and Employer withholding of State Personal Income Tax was enacted in 1961
- Tax rates in 1969 ranged from 1% for \$500 to 9% for greater than \$100,000, and were reduced in 1974, 1978, 1981
- New Mexico entered into agreement with Department of Defense to withhold State Personal Income Tax in July of 1977 – to best of our knowledge, no state taxes were withheld from military pay prior to this date.

Data on NM Native American Veterans

- Total number of veterans (living) in NM as of 12/31/08 – 180,000
- Total number of Native American veterans (living) as of 12/31/08
 - 15,000, source: Veteran's Administration
- Total number of Native American veterans (living) that are 56 or older – 2,211 (likely to be ineligible since their service would have been prior to 1977 when state taxes were first withheld)

Service, pay and domicile verification for NM Native American Veterans

- DD214
- Name
- Service
- Domicile
- Pay rate

CAUTION: NOT TO BE USED FOR IDENTIFICATION PURPOSES THIS IS AN IMPORTANT RECORD. SAFEGUARD IT. ANY ALTERATIONS IN SHADED AREAS RENDER FORM VOID

CERTIFICATE OF RELEASE OR DISCHARGE FROM ACTIVE DUTY

1. NAME (Last, First, Middle) C		2. DEPARTMENT, COMPONENT AND BRANCH USMC-11		3. SOCIAL SECURITY NUMBER	
4a. GRADE, RATE OR RAN PVT	b. PAY GRADE E-1	5. DATE OF BIRTH (YYYYMMDD)		6. RESERVE OBLIGATION TERMINATION DATE (YYYYMMDD) 00000000	
7a. PLACE OF ENTRY INTO ACTIVE DUTY Minneapolis MEPS Fort Snelling, MN 55111		b. HOME OF RECORD AT TIME OF ENTRY (City and state, or complete address if known) Friday, MN 55422			
8a. LAST DUTY ASSIGNMENT AND MAJOR COMMAND HQBn, 1st MarDiv, Campen, CA 92055			b. STATION WHERE SEPARATED HQBn, 1st MarDiv, Campen, CA 92055		
9. COMMAND TO WHICH TRANSFERRED N/A			10. SGLI COVERAGE AMOUNT: \$ 400,000.00		
11. PRIMARY SPECIALTY (List number, title and years and months in specialty. List additional specialty numbers and titles involving periods of one or more years.) 3531 - Motor Vehicle Operator (10 months)		12. RECORD OF SERVICE			
		YEAR(S)	MONTH(S)	DAY(S)	
		a. DATE ENTERED AD THIS PERIOD	2007	01	22
		b. SEPARATION DATE THIS PERIOD	2008	04	25
		c. NET ACTIVE SERVICE THIS PERIOD	01	03	04
		d. TOTAL PRIOR ACTIVE SERVICE	00	00	00
		e. TOTAL PRIOR INACTIVE SERVICE	00	00	00
		f. FOREIGN SERVICE	00	00	00
		g. SEA SERVICE	00	00	00
		h. EFFECTIVE DATE OF PAY GRADE	2007	01	17
13. DECORATIONS, MEDALS, BADGES, CITATIONS AND CAMPAIGN RIBBONS AWARDED OR AUTHORIZED (All periods of service) Global War on Terrorism Service Medal, National Defense Service Medal, Rifle Expert Badge		14. MILITARY EDUCATION (Course title, number of weeks, and month and year completed) Motor Vehicle Operator (6wks-May'07)			
15a. MEMBER CONTRIBUTED TO POST-VIETNAM ERA VETERANS' EDUCATIONAL ASSISTANCE PROGRAM				YES	<input checked="" type="checkbox"/> NO
b. HIGH SCHOOL GRADUATE OR EQUIVALENT				<input checked="" type="checkbox"/> YES	NO
16. DAYS ACCRUED LEAVE PAID RLB 0.0 SLB 0.0		17. MEMBER WAS PROVIDED COMPLETE DENTAL EXAMINATION AND ALL APPROPRIATE DENTAL SERVICES AND TREATMENT WITHIN 90 DAYS PRIOR TO SEPARATION		YES	<input checked="" type="checkbox"/> NO
18. REMARKS Good Conduct Medal Date: 20080114 Non-Creditable Delayed Entry Program Time: (5 days) Ser#: 11001-2008-8127					
The information contained herein is subject to computer matching within the Department of Defense or with any other affected Federal or non-Federal agency for verification purposes and to determine eligibility for, and/or continued compliance with, the requirements of a Federal benefit program.					
19a. MAILING ADDRESS AFTER SEPARATION (Include ZIP Code)			b. NEAREST RELATIVE (Name and address - include ZIP Code)		
20. MEMBER REQUESTS COPY 6 BE SENT TO MN DIRECTOR OF VETERANS AFFAIRS			YES <input checked="" type="checkbox"/> NO		
21. SIGNATURE OF MEMBER BEING SEPARATED		22. OFFICIAL AUTHORIZED TO SIGN (Type name, grade, title and signature) J. DE TRINIDAD CWO PERSONNEL OFFICER USMC			
SPECIAL ADDITIONAL INFORMATION (For use by authorized agencies only)					
23. TYPE OF SEPARATION Discharged		24. CHARACTER OF SERVICE (Include upgrades) OTHER THAN HONORABLE			
28. NARRATIVE REASON FOR SEPARATION					
29. DATES OF TIME LOST DURING THIS PERIOD (YYYYMMDD) 20070815-20070819		E		30. MEMBER REQUESTS COPY 4 (Initials)	

DD FORM 214, FEB 2000 PREVIOUS EDITION IS OBSOLETE. STATE DIRECTOR OF VETERANS AFFAIRS - 6

Reset

Status of NAVITS as of October 26, 2011

- **1191** - Total number of applications received to date.
- **1101** - Number of applications forwarded to Tax and Rev.
- **76** - Number of applications returned to applicants and not received back.
- **13** - Number of applications denied due to non-residency or service.
- **1** - Deceased and have not received application from family.

Claims Processed by TRD

- **# Claims W/H Amount Interest Amount Total Prin + Interest**
- **665 390,867.79 436,171.48 827,039.27**

- **Amount Allocated by Legislature for Project 1,000,000.00**

- **Remaining Balance for Project 172,960.73**

- **SUMMARY OF ACTIONS TAKEN ON CLAIMS RECEIVED**
- Refunds issued 644
- Refunds pending at Financial Services 13
- Claims denied 476
- Additional Refunds, per Protest or W/H Received by Dept 57