

**Summary Statement**

Rule 2006-2: Income Tax Exemption  
Increase for Armed Services Members

For purposes of Act 2187 of 2005 and beginning January 1, 2005, the income tax exemption for the service pay and allowances of enlisted personnel increased from \$6,000 to \$9,000. The income tax exemption for the service pay and allowances of officers did not increase and remains set at \$6,000. The Act further provides that a taxpayer who receives both enlisted pay and officer's pay in the same year should prorate each exemption by the number of days the taxpayer received each type of pay divided by the total days of the year the taxpayer received military pay.