

# Taxes

- [Combat Tax Exclusion \(DOD PAYMAN, Chap 44, Par 440103.A - Combat Zone Defined and Figure 44-2 Combat Zone Tax Relief Areas\)](#)

For an officer (O-1 and above), the amount of the maximum Combat Tax Exclusion in effect for a qualifying month equals the sum of the highest rate of enlisted basic pay payable and the amount of hostile fire/imminent danger pay actually payable to the officer for the qualifying month (\$225.00).

## **DFAS Combat Zone Tax Exclusion**

**Table:** <https://www.dfas.mil/militarymembers/payentitlements/Pay-Tables/> (Tables are linked near the bottom of the page under "*Pay Information Reference*").

- **Federal Income Tax Withholding (FITW):**  
Please see [2023 Percentage Method Tables for Automated Payroll Systems](#) for current FITW rates.
- **FICA:** For 2023, the wage base for withholding social security (old age, survivors, and disability insurance) is \$160,200. There is no wage base limit for Medicare (hospital insurance). For social security, the tax rate is 6.2% each for employers and employees. For Medicare, the rate is 1.45% each for employers and employees. Also, as of January 2013, individuals with earned income of more than \$200,000 (\$250,000 for married couples filing jointly) pay an additional 0.9 percent in Medicare taxes.
- **State Tax Withholding Changes:**
  - [State Individual Income Tax Rates and Brackets](#)
  - [State Tax Withholding Exceptions](#) for exceptions to normal state income tax withholding.
  - [State Tax Guide 2023](#)