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State of South Carolina  
Department of Revenue  
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SC REVENUE INFORMATIONAL BULLETIN #02-1

SUBJECT: Military Combat Pay

DATE: January 7, 2002

AUTHORITY: S.C. Code Ann. Section 12-4-320 (2000)

SCOPE: A Revenue Informational Bulletin is a written statement issued to the public by the Department to announce general information useful in complying with the laws administered by the Department. **A Revenue Informational Bulletin has no precedential value, and is not binding on the public or the Department.**

In Executive Order 13239, the President declared Afghanistan and its airspace a combat zone as of September 19, 2001. South Carolina has adopted Internal Revenue Code Section 112 which excludes certain combat pay from the definition of “gross income.” To the extent that combat pay is nontaxable for federal income tax purposes it is also nontaxable for South Carolina income tax purposes.