From: Secretary of the Navy

Subj: TAX LAW MATTERS AFFECTING DEPARTMENT OF THE NAVY MILITARY PERSONNEL

Ref: (a) DoD Directive 5124.03 of 8 January 2005

1. Purpose. To establish policy, procedures, and responsibilities for the Department of the Navy (DON) representation to the Armed Forces Tax Council (AFTC), per reference (a).

2. Cancellation. SECNAVINST 5840.8A.

3. Applicability. This instruction applies to the Office of the Secretary of the Navy (SECNAV), the Chief of Naval Operations, the Commandant of the Marine Corps (CMC), and all U.S. Navy, U.S. Marine Corps installations, commands, activities, field offices, and all other organizational entities within the DON.

4. Policy

   a. Reference (a) establishes the AFTC to coordinate matters affecting Federal, State, local, and foreign tax liabilities of members of the Armed Forces and the related obligations of the Military Departments as employers.

   b. Pursuant to reference (a), SECNAV shall review AFTC matters for consistency with Military Department regulations, advise on the effects to the members of the Armed Forces, provide coordination, as necessary and designate members for the U.S. Navy and U.S. Marine Corps as members of the AFTC.

5. Responsibilities

   a. The General Counsel (GC) of the Navy shall review AFTC matters for their compliance with the law and other matters within
the authorities and responsibilities assigned to the GC.

b. The Judge Advocate General of the Navy will:

(1) Coordinate all issues involving the tax liability of members of the U.S. Navy;

(2) Refer any tax matter requiring inter-service coordination to the AFTC;

(3) Refer any tax matter with respect to the DON as an institutional client to the GC; and

(4) Appoint one member to the AFTC for the U.S. Navy.

c. The Staff Judge Advocate to the CMC will:

(1) Coordinate all issues involving the tax liability of members of the U.S. Marine Corps;

(2) Refer any tax matter requiring inter-service coordination to the AFTC;

(3) Refer any tax matter with respect to the DON as an institutional client to the GC; and

(4) Appoint one member to the AFTC for the U.S. Marine Corps.

6. Records Management

a. Records created as a result of this instruction, regardless of format or media, must be maintained and dispositioned according to the records disposition schedules found on the Directives and Records Management Division (DRMD) portal page: https://portal.secnav.navy.mil/orgs/DUSNM/DONAA/DRM/SitePages/Home.aspx.
b. For questions concerning the management of records related to this instruction or the records disposition schedules, please contact your local Records Manager or the DRMD program office.

THOMAS B. MODLY
Under Secretary of the Navy

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