

STATE CONTROLLER'S OFFICE
PERSONNEL AND PAYROLL SERVICES DIVISION
P.O. BOX 942850
SACRAMENTO, CA 94250-5878

DATE: May 6, 2010

PAYROLL LETTER #10-005

TO: All Agencies/Campuses in the Uniform State Payroll System

FROM: Lisa Crowe, Chief
Personnel and Payroll Services Division (PPSD)

RE: MILITARY SPOUSES RESIDENCY RELIEF ACT

This provides information regarding the Military Spouses Residency Relief Act (MSRRA) that was signed into law on November 11, 2009. The MSRRA exempts personal service income and wages earned by taxpayers who reside with their military spouses. The couple must have relocated to California under military orders for the income to be exempt from California taxes. They must also share the same "domicile" or true home outside California where they intend to return and locate permanently.

This new law applies to calendar year 2009 and after. Eligible employees should submit the Form Std. 686, Employee Action Request (EAR) to prevent California withholding on their wages. Also, the employee should provide supporting documentation (military orders) for the withholding change.

For additional information regarding the MSRRA and/or obtaining a refund of taxes withheld from 2009 wages, please call the Franchise Tax Board at 1-800-852-5711 or go to visit their [website](#). Questions regarding the completion of the EAR can be directed to Jeanna Gonzalez at (916) 327-3923 or jgonzalez@sco.ca.gov.

LC:SK:PMAB