

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 306

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Directs Department of Veterans' Affairs to study and make recommendations for policy proposals for tax treatment of military pensions.

Government Unit(s) Affected:

Oregon Department of Veterans' Affairs (ODVA), Department of Revenue (DOR), Legislative Revenue Office (LRO)

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See explanatory analysis.

Analysis:

SB 306 directs Oregon Department of Veterans' Affairs (ODVA) to study and make recommendations for policy proposals for the tax treatment of military pensions. The Department is required to submit a report on its findings to a Legislative committee by January 1, 2023.

ODVA reports that the it does not have staff with expertise to study and make policy proposals related to tax treatment of military pensions and would need to contract with a third party to do this work. Based on previous contracts for similar work, ODVA estimates the cost to be \$85,000 General Fund.

However, the Legislative Fiscal Office (LFO) contacted the Department of Revenue (DOR) and the Legislative Revenue Office (LRO) to inquire if these entities could assist ODVA in conducting the study and making policy proposals required by the bill. Both entities report that they have the in-house expertise and staffing capacity to assist ODVA with in their existing budget. If ODVA is allowed to work with DOR and LRO to do the work required by the bill, the fiscal impact would be minimal.