

SB 306 STAFF MEASURE SUMMARY

Senate Committee On Veterans and Emergency Preparedness

Action Date: 02/23/21

Action: Without recommendation as to passage and be referred to Finance and Revenue by prior reference.

Vote: 3-1-0-0

Yeas: 3 - Manning Jr, Patterson, Thomsen

Nays: 1 - Linthicum

Fiscal: Fiscal impact issued

Revenue: No revenue impact

Prepared By: Regina Wilson, LPRO Analyst

Meeting Dates: 2/4, 2/18, 2/23

WHAT THE MEASURE DOES:

Requires report from Oregon Department of Veterans' Affairs (ODVA) on policy proposals for tax treatment of military pensions by January 1, 2023.

ISSUES DISCUSSED:

- Scope and requirements of the study
- Options to conduct study with lesser or no fiscal impact
- Military retirement and veteran status distinctions

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

States provide particular benefits for veterans and active servicemembers in the U.S. Armed Forces. The way military retirement pay is managed varies from state to state. For example, some states consider military retirement pay as taxable income, a handful of states tax a portion of military retirement pay, and yet other states exempt military pensions from state income taxes altogether.

Senate Bill 306 directs the Oregon Department of Veterans' Affairs (ODVA) to report on policy proposals for tax treatment of military pensions by January 1, 2023.