

HB 2305 STAFF MEASURE SUMMARY

House Committee On Emergency Management, General Government, and Veterans

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Meeting Dates: 2/9, 3/7

WHAT THE MEASURE DOES:

Exempts from state income tax military pay received by members of the Oregon National Guard while in active service of the state or on state active duty. Makes retroactive to tax years beginning on or after January 1, 2021. Takes effect on 91st day following adjournment sine die.

NOTE - LRO has requested subsequent referral to Committee on Tax Expenditures

FIS: No fiscal impact

RIS: "Revenue Lite" hall pass issued

ISSUES DISCUSSED:

- Pay for state active duty can be from federal or state government
- Complicated pay calculations
- Large number of National Guard deployments in 2021
- Whether measure would be an incentive to serve
- Connection to other benefits

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon statute defines "state active duty" as including, but not limited to: support of federal, state, and local drug eradication, interdiction and other counterdrug operations under a counterdrug support plan approved by the Governor; and reasons related to homeland security. [ORS 399.075]. While on state active duty, members of the Oregon National Guard (ONG) are to receive pay at least equal to the pay and allowances of their corresponding grades in the U.S. Armed Forces.

Comparatively, ORS 399.065 defines "active state service" as ordering into active service by the Governor in case of "invasion, disaster, insurrection, riot, breach of the peace, or imminent danger thereof." This action can involve ordering ONG personnel to function under the operational control of the U.S. Army, Navy, or Air Force commander in a given area.

House Bill 2305 specifies that pay for service performed by members of the Oregon National Guard while on active service of the state or on state active duty is exempt from state income tax.