

Submitter: Joshua Mosley

On Behalf Of:

Committee: House Committee On Emergency Management, General Government, and Veterans

Measure, Appointment or Topic: HB2050

My name is Joshua P. Mosley, and I am an active-duty member of the Oregon Army National Guard. I've served 25 years honorably, and like many veterans, I now face the challenge of transitioning to civilian life while ensuring financial stability for myself and my family. I am here to strongly support HB 2050, which would make military retirement pay tax-free in our state.

This bill is more than just financial relief—it is a necessary correction to the disparity between VA disability compensation, military retirement pay, and the cost of living for those who have dedicated their lives to serving this country and State.

### The Disparity Between VA Disability and Living Wages

Many military retirees, myself included, suffer from service-connected disabilities. While the VA disability system provides some compensation, it often falls short of covering the real cost of living, especially when factoring in healthcare, housing, and inflation. A veteran who is rated at 100% disability might receive a monthly VA payment, but many of us fall short of that threshold and still deal with significant medical and employment limitations.

At the same time, military retirement pay—earned through decades of service—gets taxed as regular income. This places an unfair financial burden on veterans, especially those who are unable to work full-time due to service-related injuries but do not qualify for full VA compensation.

### How Tax-Free Retirement Pay Would Help

Making military retirement pay tax-free would bridge the gap between VA disability compensation and a livable wage. Many retired service members struggle to find post-military employment that accommodates service-connected injuries or the challenges of readjusting to civilian work environments. By allowing retirees to keep more of what they have earned, this bill would:

- Improve financial stability for veterans who rely on a combination of VA benefits and retirement pay.
- Encourage retention and recruitment by making military service more financially viable in the long run.
- Offset the rising cost of living without placing the burden solely on VA benefits, which are often insufficient for retirees with partial disability ratings.

- Reduce reliance on state assistance programs by allowing retired veterans to sustain themselves with the pay they earned.

Service members dedicate decades of their lives to this country, often enduring physical and mental sacrifices that impact them long after they leave the military. Ensuring that their retirement pay remains untaxed is a small but meaningful way to recognize that sacrifice and provide the financial support they deserve.

I urge the committee to pass HB 2050 and provide military retirees with the tax relief they have rightfully earned. Thank you for your time and consideration.