

Submitter: Michael Krouse

On Behalf Of:

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

Measure, Appointment or Topic: HB2050

Testimony in Support of Exempting Military Retirement Pay from Oregon State Income Tax

I am here today to urge your support for exempting all military retirement pay and pensions from Oregon state income tax. Our veterans have dedicated their lives to defending our nation, often making tremendous sacrifices, including long deployments, family separations, and exposure to combat. Providing them with tax relief on their hard-earned retirement benefits is not only a way to honor their service but also a practical step in attracting and retaining skilled, disciplined, and experienced individuals in our state.

Currently, Oregon is one of the few states that does not fully exempt military retirement pay, putting us at a competitive disadvantage. Many veterans choose to retire in states that offer this exemption, taking their leadership, experience, and economic contributions elsewhere. By passing this exemption, Oregon can encourage more veterans to stay, contributing to our workforce, communities, and economy.

Furthermore, this exemption would provide much-needed financial relief to those who have already given so much. Many veterans face unique challenges, including service-connected disabilities and difficulties transitioning to civilian careers. Alleviating their tax burden would be a meaningful way to express our gratitude and support their financial well-being.

For these reasons, I respectfully urge you to support legislation that exempts military retirement pay from Oregon state income tax. Our veterans have served us—now it is our turn to serve them.

Thank you.