

Submitter: Bethany Pattee

On Behalf Of:

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

Measure, Appointment or Topic: HB2050

This legislation is a critical step toward honoring our veterans, strengthening Oregon's economy, and making our state a more attractive place for military retirees to call home.

As a state, Oregon prides itself on supporting those who have served in the Armed Forces. However, we remain one of the few states that continue to fully tax military retirement pay. Currently, more than 30 states offer full or partial exemptions on military pensions. Without similar policies, Oregon risks losing a valuable, highly skilled, and experienced segment of our population to states with more veteran-friendly tax policies.

Exempting military retirement pay from state income tax will:

1. Honor Veterans for Their Service – Military retirees have dedicated decades of their lives to defending our nation, often enduring long deployments, family separations, and dangerous conditions. Many continue to serve their communities in civilian careers, public service, and volunteer roles. This tax exemption is a tangible way to recognize their sacrifices.
2. Attract and Retain Skilled Professionals – Many military retirees are still in the prime of their careers and bring high-value leadership, technical, and specialized skills to the workforce. Providing tax relief will incentivize them to stay in or relocate to Oregon, filling critical roles in industries such as healthcare, cybersecurity, law enforcement, and education.
3. Strengthen Oregon's Economy – Retired veterans contribute significantly to the economy through homeownership, consumer spending, and entrepreneurship. Studies show that states with military retirement tax exemptions experience increased local investment, job creation, and economic growth.
4. Improve Recruitment for Oregon's National Guard and Reserve – A military-friendly tax policy helps Oregon remain competitive in recruiting and retaining National Guard and Reserve members, who play a vital role in state emergency response efforts and national defense.

Passing this bill is not just a matter of financial policy—it is a statement of our values. By enacting this exemption, Oregon would align itself with the majority of states that have already recognized the immense contributions of military retirees. It is time to show our veterans that their service is appreciated not just with words, but with meaningful action.

I respectfully urge the committee to advance this bill and support Oregon's veterans and their families. Thank you for your time and consideration.