

House Bill 2026

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of House Interim Task Force on Veterans Affairs and Head Start)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Modifies exemption from personal income tax for military duty compensation to include any service performed by National Guard or military reserves while on active duty, if duty consists of service away from home for period of three consecutive weeks or more.

Permits filing of claims for refund for certain tax years for which existing statute of limitations would bar claims.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to taxation of military personnel; creating new provisions; amending ORS 316.791; and
3 prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 316.791 is amended to read:

6 316.791. Compensation, including death gratuity and other qualified military benefits described
7 in section 134 of the Internal Revenue Code, received by a member of the Oregon National Guard,
8 the military reserve forces or the organized militia of any other state or territory of the United
9 States[, *that is attributable to service performed after a change in status from Title 32 to Title 10 of*
10 *the United States Code, and before the termination of Title 10 status,*] is exempt from taxation under
11 this chapter, **if:**

12 (1) **The compensation is attributable to military service performed when the taxpayer is**
13 **away from the home of the taxpayer overnight;**

14 (2) **The taxpayer is required to be away from home overnight in order to perform the**
15 **service described in subsection (1) of this section; and**

16 (3) **The service described in subsection (1) of this section is of a duration of at least three**
17 **consecutive weeks, although the consecutive weeks of service need not be in the same tax**
18 **year.**

19 **SECTION 2.** (1) **Notwithstanding ORS 305.270 or 314.415 or other law limiting the period**
20 **of time within which a refund of personal income tax may be made, a taxpayer may file a**
21 **claim for refund of tax paid for a tax year beginning on or after January 1, 2001, and before**
22 **January 1, 2005, if the claim for refund is based on the inclusion within gross income of**
23 **compensation described in ORS 316.791, for military service performed on or after September**
24 **11, 2001.**

25 (2) **The Department of Revenue shall refund amounts due for a claim described in sub-**
26 **section (1) of this section if the claim is allowable and the claim has been filed with the de-**
27 **partment before July 1, 2008.**

28 **SECTION 3.** **Section 2 of this 2007 Act is repealed on January 2, 2010.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 **SECTION 4.** This 2007 Act takes effect on the 91st day after the date on which the reg-
2 ular session of the Seventy-fourth Legislative Assembly adjourns sine die.
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