

**75TH OREGON LEGISLATIVE ASSEMBLY 2009 Regular Session
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE**

**MEASURE: HB 2164
CARRIER: Rep. Riley**

**REVENUE: Revenue Impact Issued
FISCAL: No Fiscal Impact**

Action: Do Pass.
Vote: 7-0-3
Yeas: Bailey, Bentz, Berger, Bruun, Riley, Sprenger, Barnhart
Nays: 0
Exc.: Gelser, Kahl, Read
Prepared By: Chris Allanach, Economist
Meeting Dates: 4/3; 4/10

WHAT THE BILL DOES: Codifies an existing Department of Revenue administrative rule that states that "active service" includes weekend drills, annual training, summer camp, special school attendance and battle assemblies. Applies to tax years beginning on or after January 1, 2009.

ISSUES DISCUSSED:

- History of statutory language interpretation
- Consistent with current Department of Revenue rule
- Need for more permanent solution to issue of changing terminology

EFFECT OF COMMITTEE AMENDMENTS: None

BACKGROUND: Military active duty pay earned outside Oregon is fully deductible. Military active duty pay earned inside Oregon is limited to a maximum subtraction of \$6,000. The cap was originally \$3,000 and was increased to \$6,000 by the 2007 Assembly. In 2008, the Department of Revenue implemented a temporary rule that includes income from those items listed above as part of active duty pay.

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