

**75TH OREGON LEGISLATIVE ASSEMBLY 2009 Regular Session
STAFF MEASURE SUMMARY
SENATE FINANCE & REVENUE COMMITTEE**

**MEASURE: HB 2164
CARRIER: Sen. Hass**

REVENUE: Revenue Impact Issued

FISCAL: No Fiscal Impact

Action: Do Pass

Vote: 4-0-1

Yeas: Hass, Morse, Rosenbaum, Burdick

Nays: 0

Exc.: Telfer

Prepared By: Chris Allanach, Economist

Meeting Dates: 5/12

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:

- Legislative language and intent from the 2007 session
- Impact on members of the Oregon National Guard

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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