

PRELIMINARY STAFF MEASURE SUMMARY

House Committee On Revenue

Fiscal: May have fiscal impact, but no statement yet issued

Revenue: May have revenue impact, but no statement yet issued

Action Date:

Action:

Meeting Dates: 06/15

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WHAT THE MEASURE DOES:

Modifies definition of resident for purposes of personal income taxation to exclude certain members of the Armed Forces if the home of record is located out of the state. Requires taxpayers to file amended returns to claim refunds of exempted amounts for prior tax years. Applies to tax years beginning on or after January 1, 2010.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

The -4 makes the requirement for being considered a nonresident an out of state address on the Defense Finance and Accounting Service, rather than an out of state home of record. It also directs the Department of Revenue to make refunds without interest.

BACKGROUND:

Currently, service members are taxed as Oregon residents if they are performing "active service" in Oregon. The measure would make them considered "nonresidents" for taxation purposes. Because of language in the Service Members Civil Relief Act, the pay they earn for active duty in Oregon would not be considered Oregon income and therefore not taxable in the state.