

**REVENUE IMPACT OF
PROPOSED LEGISLATION
Seventy-Eighth Oregon Legislative
Assembly
2015 Regular Session
Legislative Revenue Office**

**Bill Number: HB 3561 - 4
Revenue Area: Income Tax
Economist: Christine Broniak
Date: 6-25-2015**

***Only Impacts on Original or Engrossed
Versions are Considered Official***

Measure Description:

Modifies definition of resident for purposes of personal income taxation to exclude certain members of Armed Forces if home of record is located outside state.

Revenue Impact (in \$Millions):

	2015-17	2017-19	2019-21
General Fund	-\$2.62	-\$0.81	-\$0.86

Impact Explanation:

The measure makes service members who have an out of state address in the Defense Finance and Accounting System nonresidents for the purposes of taxation. As nonresidents, they would have to pay tax on the Oregon portion of their income but for the provisions in the Servicemember's Civil Relief Act that prohibit taxation of nonresident servicemembers. So the measure would eliminate income taxation for an estimated 96 servicemembers. Using an average income of \$61,425 and subtracting the \$6,000 they are currently eligible to subtract from taxation, \$55,425 annually would be removed from taxation as a result of this measure. The measure directs the Department of Revenue to pay any refunds due without interest.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this measure is to provide tax relief servicemembers with an out of state address in consideration of their work and sacrifices for their state and country.