

House Bill 3556

Sponsored by Representatives MCLANE, KOTEK, WHITSETT, Senator WHITSETT; Representatives CLEM, WHISNANT

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 subtraction from personal income tax for military pay. Allows subtraction for active service by member of Armed Forces.

Applies to tax years beginning on or after January 1, 2015.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to an income tax subtraction for military pay; creating new provisions; amending ORS
3 316.792; and prescribing an effective date.

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

5 **SECTION 1.** ORS 316.792 is amended to read:

6 316.792. (1) As used in this section:

7 (a) "Armed Forces of the United States" means all regular and reserve components of the United
8 States Army, Navy, Air Force, Marine Corps and Coast Guard and other uniformed services under
9 the orders of the President of the United States.

10 (b) "Military pay" means pay for active duty, inactive duty, training and reserve component
11 duty, including state active duty, and any other compensation, other than retirement pay or pension,
12 paid by the Armed Forces of the United States to a member of the Armed Forces of the United
13 States.

14 (c) "Reserve component duty" includes duty performed as a member of the reserve components
15 that is not federal active duty.

16 (d) "Reserve components" includes all National Guard and reserve departments of the Armed
17 Forces of the United States.

18 (e) "Uniformed services" includes the commissioned corps of the National Oceanic and Atmo-
19 spheric Administration and the United States Public Health Service.

20 (2) There shall be subtracted from federal taxable income military pay received for:

21 [*(a) Service performed outside this state in the year of initial draft or enlistment or in the year of*
22 *discharge.*]

23 [*(b) Service performed outside this state during any month beginning on or after August 1, 1990,*
24 *and before the date designated by the President of the United States as the date of termination of*
25 *combatant activities in the Persian Gulf Desert Shield area.*]

26 **(a) Active service as defined in 10 U.S.C. 101(d)(3) performed by a member of the Armed**
27 **Forces of the United States, other than annual training duty or inactive duty training.**

28 [*(c)*] **(b)** Service by a member of the reserve components, if:

29 (A) The military pay is for service performed when the taxpayer is away from the home of the
30 taxpayer overnight;

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 (B) The taxpayer is required to be away from home overnight in order to perform the service;
2 and

3 (C) The service is of a duration of at least 21 consecutive days, although the consecutive days
4 need not be in the same tax year.

5 [(d)] (c) Service not otherwise qualified for a subtraction under paragraphs [(a) to (c)] (a) and
6 (b) of this subsection, not to exceed \$6,000 per year.

7 (3) The total amount subtracted under this section may not exceed the taxpayer's total military
8 pay included in federal taxable income for the tax year.

9 **SECTION 2. The amendments to ORS 316.792 by section 1 of this 2015 Act apply to tax**
10 **years beginning on or after January 1, 2015.**

11 **SECTION 3. This 2015 Act takes effect on the 91st day after the date on which the 2015**
12 **regular session of the Seventy-eighth Legislative Assembly adjourns sine die.**

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