

HB 2234 STAFF MEASURE SUMMARY

House Committee On Veterans and Emergency Preparedness

Action Date: 02/23/17

Action: Do pass and be referred to Revenue by prior reference

Vote: 6-0-1-0

Yeas: 6 - Esquivel, Evans, Lively, Meek, Parrish, Post

Exc: 1 - Boone

Fiscal: Has minimal fiscal impact

Revenue: Revenue impact issued

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WHAT THE MEASURE DOES:

Permits the surviving spouse or dependent child of a service member to subtract qualifying military benefits from federal taxable income, for purpose of calculating Oregon taxable income, beginning January 1, 2017. Allows the total amount of qualifying benefits to be subtracted if the survivor is blind or disabled, and up to \$30,000 plus 50 percent of amounts over \$30,000, to be subtracted by other survivors. Requires rulemaking by the Oregon Department of Veterans' Affairs in consultation with the Department of Revenue. Creates a subtraction from federal taxable income, for purposes of Oregon income tax calculations, for any qualifying benefits paid to the surviving spouse or dependent child of a service member..

ISSUES DISCUSSED:

- Effect of measure
- Expanding list of subtractions from taxable income

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

States may reduce the amount of personal or corporate income that is subject to state taxation, by allowing for subtractions. House Bill 2234 adds qualifying military benefits received by the surviving spouse or other dependant of a service member, to the list of subtractions from taxable income that are allowed, for purposes of calculating state taxes.