

**SB 181 STAFF MEASURE SUMMARY**

**Senate Committee On Veterans, Emergency Management, Federal and World Affairs**

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**Sub-Referral To:** Joint Committee On Tax Expenditures

**Meeting Dates:** 2/7

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**WHAT THE MEASURE DOES:**

Exempts from state income tax military pay received by members of the Oregon National Guard while in active service of the State of Oregon or on state active duty. Applies to tax years beginning on or after January 1, 2020. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

The Oregon Army National Guard (ORARNG) and Oregon Air National Guard (ORANG) together serve as the state militia, federally mandated and equipped for both domestic and international deployments in response to natural disasters, military conflicts, and other duties. The state's first organized militia was formed in 1843, 16 years prior to statehood. Current strength, as of December 2022, was 5,144 ORARNG and 2,201 ORANG. Major deployments have occurred in recent years in response to wildfires, the COVID-19 pandemic, and international deployments across four continents.

During the past three years, Oregon guard members have seen a significant increase in state active duty operations, related mostly to the COVID-19 pandemic and to a number of very large wildfires. Nearly 2,000 Guard members saw state active duty in 2020, with that number increasing to 3,279 in 2021 and 2,874 in 2022. During that time, federal deployments varied from a high of 2,045 in 2019 to a low of 373 in 2021. Oregon Guard members were deployed to over 20 locations on four continents during the past three years.

Senate Bill 181 specifies that military pay received by members of the Oregon National Guard who are on state active service or active duty is to be subtracted from federal taxable income.