

Submitter: Devon Lawson-McCourt
On Behalf Of:
Committee: Senate Committee On Finance and Revenue
Measure: SB1549

Dear Committee Members,

This is a piece of legislation that, while seemingly beneficial on the surface, overlooks crucial aspects of our broader societal needs and economic justice. This bill proposes to exempt from state income tax up to \$17,500 of retirement pay or pension received by individuals under the age of 63 for service in the Armed Forces, effective for tax years starting on or after January 1, 2024. While supporting our veterans is a noble cause, the approach taken by SB 1549 is flawed in several critical ways.

First and foremost, the selective tax exemption proposed in SB 1549 inherently benefits a specific group while ignoring the broader spectrum of workers and retirees who have also contributed significantly to our society through various forms of public and private employment. By creating this exemption solely for military retirees under a certain age, we are inadvertently valuing certain types of service over others, neglecting the principle of economic equity that forms the cornerstone of a just society.

Moreover, the financial implications of this bill on our state budget cannot be ignored. The revenue lost through this tax exemption will inevitably lead to a shortfall that must be compensated for elsewhere. In a state where resources are already stretched thin, this could result in reduced funding for critical public services such as education, healthcare, and social welfare programs that benefit the wider community, including veterans themselves. It is imperative that we consider the broader impact of tax exemptions on our ability to fund these essential services.

Additionally, the age limitation set by this bill is arbitrary and does not account for the diverse needs of our veteran population. Veterans face unique challenges upon reentering civilian life, including but not limited to, the need for comprehensive healthcare, mental health services, and assistance with employment. A more equitable approach would be to address these needs directly, rather than through a tax exemption that may not effectively reach those most in need.

In the spirit of economic justice and social equity, I urge the committee to reconsider the passage of SB 1549. Instead, let us focus our efforts on creating comprehensive policies that support all members of our society, including veterans, through direct services and benefits that address their specific needs. By doing so, we can ensure that our tax system remains fair and that our public resources are allocated in a manner that truly reflects our values as a community.

In conclusion, while the intention to support our armed forces veterans is commendable, SB 1549 is not the most effective or equitable means to achieve this goal. Let us work together to find solutions that uplift all members of our society, ensuring a just and equitable Oregon for generations to come.

Thank you for your time and consideration.

Sincerely,
Devon Lawson-McCourt